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CAPE OF GOOD HOPE

PARLIAMENT

LEGISLATIVE COUNCIL

SELECT COMMITTEE ON
COLONIAL INDUSTRIES

REPORT





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CAPE OF GOOD HOPE

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REPORT

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OF THE

SELECT COMMITTEE

ON

COLONIAL INDUSTRIES.

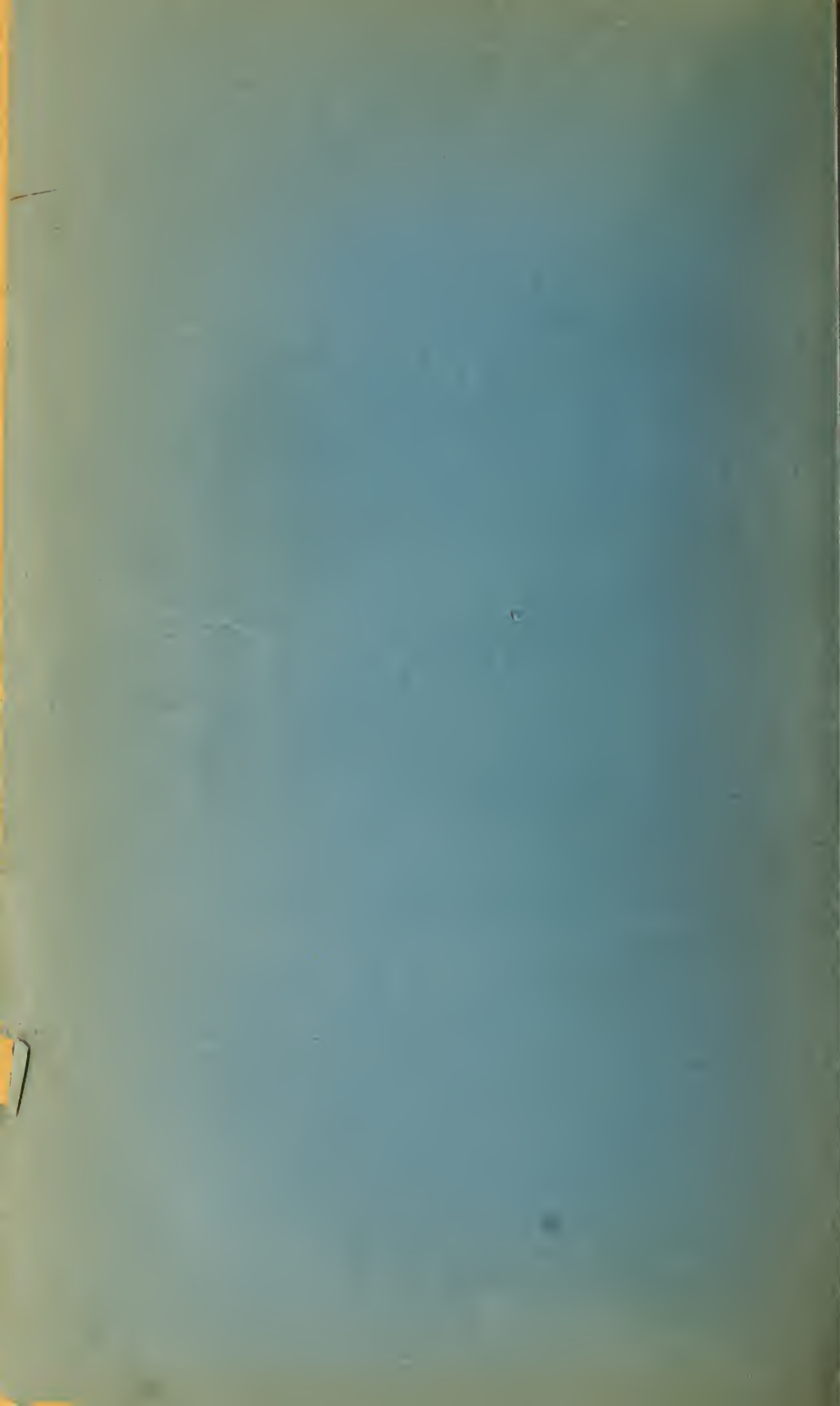
Printed by Order of the Legislative Council.

MAY, 1905.

CAPE TOWN :

CAPE TIMES LIMITED, KEEROM STREET.

1905.



CAPE OF GOOD HOPE.

REPORT

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SELECT COMMITTEE

ON

COLONIAL INDUSTRIES.

Printed by Order of the Legislative Council.

MAY, 1905.

CAPE TOWN :

CAPE TIMES LIMITED, KEEROM STREET

1905

ORDERS OF COUNCIL.

17th March, 1905.

ORDERED:—That a Select Committee be appointed to continue the Enquiry into the question of our Colonial Industries [C.4—'04.]: the Committee to consist of Colonel Bayly, Messrs. Wilmot, Ross, Rogers, Graaff, Pyott, and Dr. Petersen (Mover).

27th March, 1905.

ORDERED:—That the Report and Evidence of the Select Committee on Colonial Industries of last Session [C.4—'04] be laid upon the Table and referred to the Select Committee on Colonial Industries, appointed on the 17th instant.

17th April, 1905.

ORDERED:—That the name of Mr. Hurdall be added to the Select Committee on Colonial Industries.

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REPORT

OF THE

SELECT COMMITTEE, appointed by Orders of the Legislative Council, dated 17th March and 17th April, 1905, to continue the enquiry into the question of our Colonial Industries [C. 4—'04]; the Committee to consist of Colonel BAYLY, Messrs. WILMOT, ROSS, ROGERS, GRAAFF, PYOTT, HURNDALL and Dr. PETERSEN. (Mover).¹

1. Your Committee have taken the evidence of a large number of witnesses, from whom information of a valuable character has been received, and several members of your Committee have also been able to visit places where industries of various descriptions are carried on.

From a review of the general position of the Colony with respect especially to its exports and imports, and with reference to the fact that the Customs Convention has most seriously injured—if not destroyed—several of our industries, it is absolutely necessary for your Committee to strongly recommend a revision of the Customs Union Tariff.

Candle Manufacture and Stearine Industry.

2. From the evidence before your Committee, it appears that this industry is practically becoming extinct, and your Committee would suggest that a fair protection be given to it; as, since the Customs Convention, the duty on candles has been reduced from 2d. per lb. to $7\frac{1}{2}$ per cent. *ad valorem*, which means $\frac{1}{4}$ d. per lb. Your Committee therefore recommend that a duty of 1d. per lb. be added to the present $7\frac{1}{2}$ per cent. *ad valorem* tariff.

Colonial-made Furniture.

3. The furniture industry employs a large number of hands and is worthy of great consideration. Under the present Customs Tariff the Colonial manufacturers only receive a protection of $7\frac{1}{2}$ per cent. *ad valorem* on imported furniture. Your Committee recommend that this tariff be raised to at least 25 per cent., and that the raw material come in at as low a duty as possible.

Confectionery and Jam Trade.

4. This industry also finds employment for a great many people throughout the Colony and requires a large quantity of Colonial-grown fruit. At present there is a protection of 2d. per lb. on jams and confectionery, but evidence has been laid before your Committee that this protection is insufficient as regards the higher class of goods, such as French confectionery, chocolates, etc. Extensive employment could be given to female labour in this Colony for packing and finishing those goods, which are at present got up in the French market in an attractive style to catch the eye. Your Committee recommend that the Government place an additional duty upon this style of confectionery, so as to afford an inducement for its manufacture in this Colony.

Biscuit and Cake Manufacture.

5. It would appear from the evidence before your Committee that this industry has been carried on for twenty years at a great disadvantage, and if it be not given some assistance must become extinct. The duty on the raw material is about $22\frac{1}{2}$ per cent., while the manufactured article is allowed to enter the Colony at $7\frac{1}{2}$ per cent. *ad valorem* for English-made goods, and at 10 per cent. *ad valorem* for foreign goods. Your Committee strongly recommend that a pro-

tection of 1d. per lb. upon sweetened, and $\frac{1}{2}$ d. per lb. upon unsweetened biscuits, in addition to the present *ad valorem* duty, be imposed. This industry is purely Colonial. Wheat, butter and eggs—all the raw material, with the exception of chemicals—could be produced in the Colony, provided that a fair protection be allowed. At the present moment there are only three or four factories in this Colony, but with a fair protection this industry would be the means of giving employment to a large number of people, and retaining to this country thousands of pounds which are annually going out of it.

Milling Industry.

6. From the evidence laid before your Committee it appears that the above industry, since the introduction of the Customs Convention of 1902, is being carried on in the hope that Government will do something to give the manufacturers fair protection. The reduction of the duty on flour from 4s. 6d. to 2s. has practically made the industry an unprofitable one, so that three mills have had to close down in Cape Town, and your Committee recommend that a fair protection as against wheat and flour should be given to this industry. The consumer gets no benefit and the State is suffering in its finances to a considerable extent owing to the reduction of duty on both wheat and flour. Your Committee would also point out an anomaly with respect to the importation of bran into this country. This article is allowed to come in at $7\frac{1}{2}$ %, while the duty upon wheat—the raw material—is 1s. per 100 lbs. Your Committee recommend an additional protection of 1s. per 100 lbs. on wheat and 2s. per 100 lbs. on flour. This arrangement would entail no hardship upon the consumer, but would be the means of retaining an industry which has employed hundreds of hands.

The Printing Industry

7. Is a very important one in this Colony, as it employs 1,800 hands and pays £200,000 a year in wages. Printing and stationery are imported to the value of upwards of £500,000 per annum. Unless something be done in connection with this very important matter the industry will become a failure. Already numbers of insolvencies have taken place. Your Committee recommend that, following the precedent of other Colonies, the raw material be imported free, and that a duty of $33\frac{1}{3}\%$ be placed on all imported printing, stationery, etc., with the exception of literary matter. Your Committee also recommend that no orders for Government printing be sent out of the Colony, but should be contracted for here. It is regrettable to find that the Census papers were printed in England.

Tinctures, Dutch Medicines and Spirituous Preparations.

8. Here your Committee find an abnormal state of affairs. All the above articles can be manufactured in this Colony. A few years ago a large number of people were engaged in this country in the manufacture of Dutch medicines. These were manufactured from the Colonial spirit, and in consequence the price of Colonial spirit was kept up. Colonial manufacturers have sometimes been forced to pay as much as 14s. 6d. per gallon for the same spirit that they are now buying at 5s. 3d. per gallon, owing to the small amount required and the consequent decrease in price. Some firms, however, in England and in Germany naturally saw an opening for doing trade out here, and they commenced manufacturing the various Dutch remedies, using the cheap spirit and cutting the ground from under the feet of the Cape manufacturers. In so far as these tinctures can come in at about 3d. per gallon Customs duty, many thousands of pounds are annually lost to the Government, and your

Committee recommend that all these imported Dutch medicines, tinctures, etc., pay a duty of 15s. per gallon. the same as on the ordinary imported spirits.

Leather Industries.

9. In consequence of the influence of the Customs Convention this industry has suffered most severely.

In 1898 :—

The number of white men employed was	...	524
The number of coloured men employed was		820
Paid in wages	£126.240.

In 1904 :—

The number of white men employed was	...	317
The number of coloured men employed was		480
Paid in wages	£64.786.

Further, your Committee have to report that some of the factories now in existence will have to be closed down unless something is done at once. Your Committee therefore recommend that the Customs Duty on all leather and leather goods be raised from $7\frac{1}{2}\%$ to 25%, and that a special rated tariff on boots and shoes be imposed. This industry is of great consequence in this country and worthy of consideration, one firm alone spending £22,000 per annum in wages.

Cart and Waggon Building

10. Is purely a Colonial industry which has, in common with others, suffered severely by the reduction of the Customs tariff. The free importation of cheap American-made vehicles has been one of the factors tending to the injury of this trade, which is not carried on only in large seaport towns, but in many up-country towns and villages. If the cart and waggon manufacturers be not given some relief in the near future their important industry will become extinct, and this would entail great hardship upon numerous wage earners.

General Remarks.

11. Attention has been drawn by evidence to the fact that many manufactured articles are allowed into this Colony duty free, or at a lower rate of duty than is placed on the raw material used in those manufactures, as, for instance, in the case of wood, cloth, etc. Printed matter is also allowed in duty free, whereas paper required for printing purposes has to pay duty.

Your Committee have obtained abundant evidence from every known source, and find that there are many established industries, and others just budding, in this Colony which, if adequately supported, would give employment to thousands of persons who are now out of work, and, as in all cases of successful industries, would be the means of keeping the money in this country.

Your Committee cannot but observe that the present tariff was sprung upon the Colony after the Bloemfontein Conference, and that manufacturers and producers have suffered most heavily in consequence. It appears to your Committee that the first care of any Government should be to endeavour to protect its own manufacturers against outside competitors, and your Committee cannot but feel that a thriving and industrial population is of such enormous and vital benefit to the country that every possible step should be taken to secure it. In this way money would be largely circulated in the shape of wages, and the farmer provided with a ready market. In addition, abundant occupation could be found for the population by means of learning respectable trades, and the whole position of the country would be favourably affected.

Your Committee would also strongly urge upon the Government the desirability, before entering upon another Customs Conference, of taking the advice of Colonial manufacturers and experts, so that the present tariff may be revised in the best

interests of not only the manufacturers and farmers, but of the entire Colony. An advisory board on the lines laid down by the Agricultural Bill now before Parliament would be extremely useful, and could help Government in connection with any changes of Customs tariff or railway rates. It is not so much a larger protection that is wanted in this Colony as a fixity of tariff, for at the present time a capitalist cannot be expected to invest his money in industrial concerns when a change in the next Customs tariff might upset all his calculations and endanger his investments.

A. H. PETERSEN.

Chairman.

Committee Rooms,
Legislative Council,
26th May, 1905.

RAPPORT

VAN HET

GEKOZEN COMITÉ aangesteld op orders van den Wetgevenden Raad, gedateerd 17 Maart en 17 April 1905. ten einde het onderzoek voort te zetten. in zake de kwestie van onze Koloniale Nijverheden (C. 4.—'04); het Comité te bestaan uit COLONEL BAYLY, de heeren WILMOT, ROSS, ROGERS, GRAAFF, PYOTT, HURNDALL en DR. PETERSEN (Voorsteller.)

1. Uw Comité heeft getuigenis ingewonnen van een groot aantal getuigen, van wie inlichtingen van een gewichtigen aard ontvangen zijn en verschillende leden van uw Comité zijn ook in staat geweest om plaatsen te bezoeken alwaar nijverheden van allerlei soorten worden uitgevoerd.

Met het oog op de algemeene positie van de Kolonie, ten opzichte vooral van derzelve uitvoer en invoer en met betrekking tot het feit dat het Tol Verbond zeer ernstig benadeeld heeft, indien niet vernietigd, verschillende onzer nijverheden, is het absoluut noodzakelijk voor uw Comité om dringend, een herziening van het Tol Bond Tarief aan te bevelen.

De vervaardiging van Kaarsen en de Stearine Nijverheid.

Uit de getuigenis door uw Comité, ingewonnen, blijkt het, dat deze nijverheid, werkelijk tot niet geraakt is en uw Comité zou aanbevelen dat een billijke bescherming eraan wordt gegeven; daar, sedert het Tol Verbond, de belasting op kaarsen van 2d. per lb. tot $7\frac{1}{2}$ per cent. *ad valorem*, verminderd is, het welk beteekent $\frac{1}{4}$ d. per lb. Uw Comité be-

veelt derhalve aan dat een belasting van 1d. per lb., toegevoegd wordt tot de tegenwoordige $7\frac{1}{2}$ per cent. *ad valoren* tarief.

Meubels in de Kolonie Gejabriceerd.

De Meubelnijverheid employeert een groot aantal personen en is waardig ernstig te worden overwogen. Onder de tegenwoordige Invoerrechten, ontvangen de Koloniale fabrikanten slechts een bescherming van $7\frac{1}{2}$ per cent. *ad valoren* op geïmporteerde meubelen. Uw Comité beveelt dat dit tarief verhoogd wordt tot ten minste 25 per cent., en dat ruwe materieel toegelaten wordt tegen zoo lage belasting als mogelijk.

Suikerbakkerij en Konfituur Handel.

Ook deze nijverheid geeft werk aan een groot aantal menschen door de Kolonie heen, en vereischt een groote kwantiteit vruchten in de Kolonie gekweekt. Thans is er een protectie van 2d. per lb. op conserf en suikergebak, doch getuigenis werd uw Comité voorgelegd om aan te toonen, dat deze bescherming onvoldoende is, met betrekking tot de fijnere klasse van goederen, zooals Fransche suikergebak, chocolaat, enz. Uitgebreid werk kon aan vrouwspersonen in deze Kolonie gegeven worden in den vorm van deze goederen te pakken en af te werken, die thans in de Fransche markt op een aantrekkelijke wijze wordt gedaan ten einde de aandacht te trekken.

Uw Comité beveelt aan dat het Gouvernement een additioneele belasting legge op deze soort van suikergebak, om als een beweegreden te dienen tot deszelfs vervaardiging in de Kolonie.

De vervaardiging van Besnuit en Koek.

Het blijkt uit de getuigenis, voor uw Comité aangevoerd dat deze nijverheid voor twintig jaren aan het werk is geweest, en zulks met groote schade en indien zij geen hulp krijgt in den vorm

van protectie. raakt dit Koloniaal artikel tot niet. De belasting op het ruwe materieel is omtrent $22\frac{1}{2}$ per cent., terwijl het gefabriceerde artikel, geoorloofd wordt de Kolonie binnen te komen tegen $7\frac{1}{2}$ per cent. *ad valorem* voor goederen van Engelsch Fabrikaat, en tegen 10 per cent. *ad valorem* voor uitlandsche goederen.

Uw Comité beveelt sterk aan dat een protectie van 1d. per lb. op zoet gemaakte en $\frac{1}{2}$ d. per lb. op onzoet gemaakte beschuiten, in toevoeging tot de tegenwoordige *ad valorem* belasting worde opgelegd. Deze nijverheid is uitsluitelijk een Koloniale industrie. Koorn, boter en eieren kunnen allen hier worden geproduceerd, terwijl met de uitzondering van scheikundige stoffen — alle ruw materieel in de Kolonie kan worden voortgebracht, mits dat een billijke protectie toegelaten wordt. Thans zijn er slechts drie of vier fabrieken in deze Kolonie, doch met een billijke bescherming kan deze nijverheid het middel zijn om werk te geven aan een groot aantal menschen, en in dit land duizenden van ponden te houden, die jaarlijks er uitgaan.

De Malen Nijverheid.

Uit de getuigenis voor uw Comité gelegd, blijkt het dat de bovengenoemde industrie, sedert de invoering van het Tol Verbond van 1902, aan den gang wordt gehouden, in de hoop dat het Gouvernement, iets doen zal om de fabrikanten een billijke protectie te geven. De prijs vermindering van de belasting op meel van 4s. 6d. tot 2s. heeft werkelijk de industrie een onvoordeelige industrie gemaakt, zoodat drie molens in de Kaapstad moesten sluiten en uw Comité beveelt aan dat een billijke protectie tegen ingevoerd koren en meel aan deze industrie zal worden gegeven. De verbruiker krijgt geen voordeel en de Staat lijdt ten opzichte van zijn financiën en wel in een zeer groote mate, wegens de vermindering van belasting op graan en meel.

Uw Comité wil ook een ongerijmdheid aantoonen, ten opzichte van de invoer van zemelen in dit land. Dit artikel wordt toegelaten tegen $7\frac{1}{2}$ %., terwijl de belasting op koren—het ruwe materieel 1/- per 100 lb. is. Uw Comité beveelt aan een additioneele protectie van 1/- per 100 lb. op graan en 2/- per 100 lb. op meel. Deze schikking zou geen ongemak voor den verbruiker veroorzaken, maar zal het middel zijn om een industrie aan te houden, die honderden handen werk heeft gegeven.

De Drukpers Industrie.

De Drukpers Industrie is zeer belangrijk in deze Kolonie, daar zij 1,800 personen employeert, en £200,000 jaarlijks in loon betaalt. Gedrukte artikels en schrijfbehoefden worden ingevoerd ter waarde van meer dan £500,000 per jaar. Tenzij iets gedaan wordt in verband met deze zeer belangrijke zaak, zal deze industrie een mislukking zijn. Reeds hebben veel insolventies plaats gevonden. Uw Comité beveelt aan, in navolging van het voorbeeld van andere koloniën dat het ruwe materieel vrij ingevoerd worde en dat een belasting van $33\frac{1}{3}$ per cent. gelegd worde op alle ingevoerde drukwerk, schrijfbehoefden, enz., met uitzondering van letterkundige werken.

Uw Comité beveelt ook aan dat geen orders voor Gouvernements drukwerk uit de Kolonie worden gezonden, maar alhier bij wijze van contracten zal worden uitgevoerd. Het is betreurenswaardig te vinden dat de census papieren in Engeland gedrukt werden.

Tincturen, Hollandsche Medicijnen en Preparaten van Spiritus:

Hier vindt uw Comité een abnormalen staat van zaken. Al de bovengenoemde artikelen kunnen in de Kolonie gefabriceerd worden. Eenige jaren

geleden was een groot aantal menschen in dit land bezig in het fabriceeren van Hollandsche medicijnen. Deze medicijnen werden gemaakt van Koloniale Spiritus en ten gevolge daarvan bleef de prijzen van Koloniale spiritus hoog. Koloniale fabrikanten werden soms verplicht zooveel als 14s. 6d. per gallon te betalen voor denzelfden spiritus. die zij nu voor 5s. 3d. per gallon koopen, hetwelk te wijten is aan de kleine hoeveelheid benoodigd, en diensengevolge de vermindering in prijs. Eenige firmas echter in Engeland en in Duitschland zagen natuurlijk een opening om alhier handel te drijven en zij begonnen om de verschillende Hollandsche medicijnen te fabriceeren, den goedkoopsten spiritus gebruikende en alzoo het gras voor de voeten van de Kaapsche fabrikanten wegsnijdende. Daar deze tincturen ingebracht kunnen worden op 3d. per gallon als een invoerrecht, gaan duizende ponden jaarlijks verloren voor het Gouvernement, en uw Comité beveelt aan dat op al deze ingevoerde Hollandsche medicijnen, tincturen, enz., een belasting van 15s. per gallon zal worden gelegd, hetzelfde als op de gewone ingevoerde spiritualiën.

Leder Industries.

Ten gevolge van den invloed van het Tolverbond, heeft deze nijverheid zeer zwaar geleden.

In 1898 :—

Was het getal van blanken geëmployeerd	524.
Het getal van gekleurden geëmployeerd	820.
Betaling aan loon £126,240.

In 1904 :—

Was het getal van blanken geëmployeerd	317.
Het getal van gekleurden geëmployeerd	480.
Het bedrag betaald aan loon £64,786.

Verder heeft uw Comité te rapporteeren, dat sommige van de bestaande fabrieken gesloten zullen moeten worden, tenzij dadelijk iets gedaan wordt.

Uw Comité beveelt derhalve aan dat de invoerrechten op alle leder en leder artikelen verhoogd worden van $7\frac{1}{2}$ °/o tot 25 °/o en dat een speciale berekend tarief op stevels en schoenen worden gelegd. Deze nijverheid is van groot gewicht in dit land en waardig dat de aandacht eraan wordt besteed, daar een firma alleen £22,000 jaarlijks in loon besteedt.

De Vervaardiging van Karren en Wagens.

Is uitsluitelijk een Koloniale Industrie, die tezamen met andere zwaar geleden heeft door de vermindering van de invoerrechten. De vrije invoer van goedkoope Amerikaansche rijtuigen is een van de factoren geweest, die geleid heeft om dezen handel te benadeelen, die niet alleen uitgevoerd wordt in groote haven steden, maar ook in vele binnenlandsche steden en dorpen. Indien geen verlichting in de vroege toekomst aan de karren en wagens fabrickanten wordt gegeven, zal hun gewichtige industrie worden vernietigd en dit zal groot ongemak aan vele arbeiders veroorzaken.

Algemeene Aanmerkingen.

Door de getuigenis ingewonnen, is de aandacht bepaald geworden bij het feit dat vele gefabriceerde artikelen, vrij binnen deze Kolonie worden gelaten of tegen een lager tarief van belasting, dan gelegd op het ruwe materieel gebruikt in zoodanige vervaardigingen, als bijvoorbeeld in het geval van hout, laken, enz. Drukwerk wordt ook vrij van invoerrechten toegelaten, terwijl er een belasting bestaat op papier benoodigd voor drukpers doeleinden.

Uw Comité heeft overvloedige getuigenis van elk bekende bron ingewonnen en vindt dat er vele gevestigde nijverheden zijn, zoowel als andere, juist ontspruitende in deze Kolonie, die indien genoegzaam ondersteund, werk geven zullen aan duizenden personen die thans uit hun broodwinning zijn, en zooals in gevallen van succesvolle nijverheden, een middel zal zijn om het geld in dit land te houden.

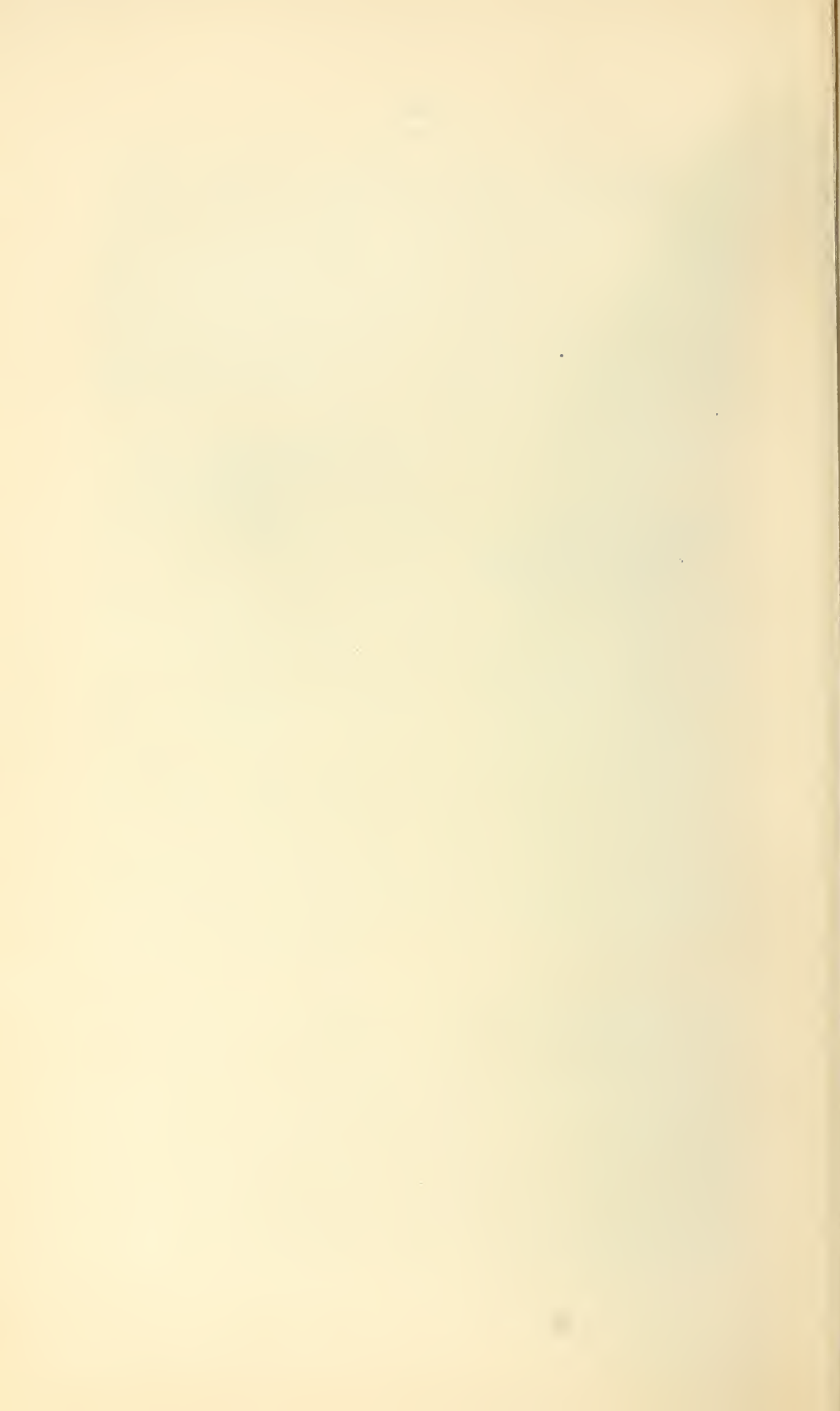
Uw Comité kan zich niet weerhouden te zeggen dat het tegenwoordige tarief voor de Kolonie uit de Bloemfontein Conferentie voortgevloeid is en dat fabrikanten en producenten dien ten gevolge zeer zwaar hebben geleden. Het komt uw Comité voor dat de eerste zorg van eenig Gouvernement behoort te zijn om te trachten zijn eigen fabrikaat te beschermen tegen mededingers van buiten en uw Comité kan niet anders dan gevoelen dat een voortvarende en industrieele bevolking, van zulk een buitengewoon groote en levend voordeel is voor het land, dat elke mogelijke stap genomen behoort te worden om dezelfde te ondersteunen. Op deze wijze zal geld grootelijk gecirculeerd worden in den vorm van loon en den boer voorzien met een gereede markt. Daarenboven kon overvloedig werk gevonden worden voor de bevolking door middel van respectable ambachten te leeren, en de geheele positie van het land zou gunstig geaffecteerd worden.

Uw Comité wenscht ook sterk bij het Gouvernement aan te dringen, de wenschelijkheid, vóór een ander Conferentie van Invoerrechten aan te gaan zich van het advies te bedienen van Koloniale fabrikanten en deskundigen, zoodat het tegenwoordige tarief herzien worde in de beste belangen van niet alleen de fabrikanten en boeren maar ook van de geheele Kolonie. Een adviseerend bestuur gevormd op de basis neergelegd door het Landbouw Wetsontwerp nu voor het Parlement, zou

zeer nuttig zijn en zou het Gouvernement helpen in verband met eenige veranderingen van Invoer-rechten of spoorweg tarieven. Het is niet zoo zeer een grooter protectie, die in dit land wordt vereischt, als een vaste tarief, want thans kan het niet van een Kapitalist worden verwacht dat hij zijn geld beleggen zal in nijverheids zaken, wanneer een verandering in het volgende Douane tarief al zijn berekeningen omverwerpen kan en zijn beleggingen in gevaar brengen.

A. H. PETERSEN,
Voorzitter.

Comité Kamers,
Wetgevende Raad,
26 Mei, 1905.



PROCEEDINGS OF COMMITTEE.

PROCEEDINGS OF SELECT COMMITTEE, appointed by Order of the Legislative Council, dated the 17th March, 1905, to continue the Enquiry into the question of our Colonial Industries (C. 4-'04): the Committee to consist of Colonel BAYLY, Messrs. WILMOT, ROSS, ROGERS, GRAAFF, PYOTT and Dr. PETERSEN (Mover).

Monday, 27th March, 1905.

PRESENT :

Dr. Petersen.
Mr. Wilmot.
Mr. Rogers.
Mr. Graaff.

Col. Bayly, C.M.G.
Mr. Ross.
Mr. Pyott.

Clerk read Order of Council, dated 17th March, 1905, appointing Committee.

Resolved: That Dr. Petersen be Chairman.

Mr. G. A. Scott was examined, and put in copy of Report submitted by the Sub-Committee representing the Wood-working and Joinery industries to the S.A. Manufacturers Association. [Appendix A.]

Resolved: To summon Mr. Albert Walsh to give evidence at next meeting.

Adjourned until Friday, 31st March, 1905.

Friday, 31st March, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Wilmot.
Mr. Graaff.
Col. Bayly.

Mr. Rogers.
Mr. Pyott.

Minutes read and confirmed.

Clerk read Order of Council, dated 27th March, 1905, viz.:—
“That the Report and evidence of the Select Committee on Colonial Industries of last Session [C 4-'04] be laid upon the Table and referred to the Select Committee on Colonial Industries appointed on the 17th instant.”

Mr. Albert Walsh, who was summoned to give evidence to-day, being unable to attend, it was

Resolved: That Dr. Rudolf Marloth, M.D., be examined at this meeting.

Dr. Marloth examined.

Resolved: That the following witnesses be summoned to attend and give evidence, viz.:—

Mr. James Sanderson, on Monday, 3rd April, 1905; Mr. Rene Santhagen, on Wednesday, 5th April, 1905; Mr. H. C. S. Hollway, on Friday, 7th April, 1905.

Resolved: That a letter be sent by the Chairman to Mr. Gibaud, of Port Elizabeth, asking him to interview Mr. Pyott, and, if necessary, send a duly sworn Statement in connection with the Leather Industry to this Committee.

Adjourned until Monday, 3rd April, 1905.

Monday, 3rd April, 1905.

PRESENT:

Dr. PETERSEN (Chairman).

Col. Bayly.

Mr. Graaff.

Mr. Ross.

Mr. Wilmot.

Mr. Rogers.

Minutes read and confirmed.

Clerk laid upon the Table Report and Evidence of Select Committee on Colonial Industries of last Session. [C 4'04.]

Mr. James Sanderson examined.

Resolved: To examine the Manager of De Beer's Explosive Co. (Somerset West), on Monday, April 10th, 1905.

Adjourned until Wednesday, April 5th, 1905.

Wednesday, 5th April, 1905.

PRESENT:

Dr. PETERSEN (Chairman).

Col. Bayly.

Mr. Ross.

Mr. Wilmot.

Mr. Rogers.

Minutes read and confirmed.

Clerk laid upon the Table letter from the Secretary of the South African Leather Industries Association, Port Elizabeth, in which they requested that their nominees be called to give evidence.

Committee in deliberation.

Resolved: That a reply be sent to the effect that Mr. Gibaud has already been requested to discuss the matter with Mr. Pyott.

Mr. Rene Santhagen examined.

Resolved: To summon Colonel Harris, C.M.G., M.L.A., to give evidence on April 12th, 1905, and Mr. T. H. Pegram, on April 14th 1905.

Adjourned until Friday, 7th April, 1905.

Friday, 7th April, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Wilmot.

Mr. Rogers.

Mr. Graaff.

Mr. Ross

Minutes read and confirmed.

Mr. H. C. S. Hollway examined.

Resolved: To summon Mr. John King, to give evidence on Monday, 17th April, 1905.

Adjourned until Monday, 10th April, 1905.

Monday, 10th April, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Ross.

Mr. Graaff.

Mr. Rogers.

Mr. Wilmot.

Minutes read and confirmed.

Mr. William Russell Quinan examined.

Adjourned until Wednesday, 12th April, 1905.

Wednesday, 12th April, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Wilmot.

Mr. Ross.

Mr. Rogers.

Col. Bayly.

Minutes read and confirmed.

Colonel David Harris, C.M.G., M.L.A., examined.

Resolved: To summon Mr. Franz Ginsberg, M.L.A., to give evidence, on Friday, 14th April, 1905, and Mrs. Liddell-Williams, to give evidence on Wednesday, 19th April, 1905.

Adjourned until Friday, 14th April, 1905.

Friday, 14th April, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Col. Bayly.

Mr. Rogers.

Mr. Ross.

Mr. Wilmot.

Mr. Pyott.

Mr. Graaff.

Minutes read and confirmed.

Mr. Thomas Herbert Pegram examined.

In the course of the examination of Mr. Pegram, Dr. Petersen vacated the Chair and left the meeting: Mr. Wilmot occupied the Chair in his absence.

Mr. Franz Ginsberg, M.L.A., examined.

Resolved: That Mr. Franz Ginsberg, M.L.A., be further examined on Monday, April 17th, 1905.

Adjourned until Monday, 17th April, 1905.

Monday, 17th April, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Wilmot.

Mr. Rogers.

Mr. Pyott.

Mr. Graaff.

Minutes read and confirmed.

Memo. on Tanning and Allied Trades from Mr. Frank Gibaud laid upon the Table. [Appendix B.]

Mr. John King examined.

Dr. Petersen vacated the Chair, which was thereupon taken by Mr. Wilmot.

Mr. Franz Ginsberg, M.L.A., further examined.

Resolved: To summon Mr. Andries Bester to give evidence, and Mr. Franz Ginsberg, M.L.A., to give further evidence.

Adjourned until Wednesday, 19th April, 1905.

Wednesday, 19th April, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Hurndall.

Mr. Rogers.

Col. Bayly,

Mr. Pyott.

Mr. Wilmot.

Minutes read and confirmed.

Clerk read Order of Council of 17th April, 1905, viz:—"That the name of Mr. Hurndall be added to the Committee on Colonial Industries."

Mrs. Liddell-Williams examined.

Resolved that Mr. Pyott and Mr. Hurndall be authorised to interview Mr. Frank Gibaud, of Port Elizabeth, and, if necessary, receive a statement from him, which, after it has been duly sworn to, will be received as evidence.

Adjourned until Friday, 5th May, 1905.

Friday, 5th May, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Wilmot.
Mr. Pyott.

| Mr. Rogers.

Minutes read and confirmed.

Mr. Andries Bester examined.

Letter from Messrs. L. Thomas and Co., Wire Mattress Manufacturers, read.

Resolved: To summon Mr. L. Thomas to give evidence on Monday, 8th May, 1905.

Copy of Memorial from the South African Leather Industries Association to the Premier laid upon the Table. [Appendix C.]

Statement of Mr. Frank Gibaud, duly sworn to, laid upon the Table.

Resolved: That Mr. Frank Gibaud's Statement be received as evidence. [Appendix D.]

Resolved to summon Mr. Walsh to attend and give evidence on Wednesday, 10th May, 1905.

Adjourned until Monday, 8th May, 1905.

Monday, 8th May, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Rogers.
Mr. Pyott.
Mr. Graaff.

| Mr. Wilmot.
Mr. Hurndall.

Minutes read and confirmed.

Mr. Llywelyn Thomas examined.

Resolved: To summon Mr. C. W. Heeger, Dr. Hutcheon, M.R.C.V.S., Mr. G. E. Dugmore, M.L.A., and Mr. Nannucci, to give evidence.

Adjourned until Wednesday, 10th May, 1905.

Wednesday, 10th May, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Rogers.
Mr. Wilmot.
Mr. Graaff.

Mr. Pyott.
Mr. Ross.

Minutes read and confirmed.

Mr. Albert Walsh examined.

Adjourned until Friday, 12th May, 1905.

Friday, 12th May, 1905.

PRESENT.

Dr. PETERSEN (Chairman).

Mr. Wilmot.
Mr. Graaff.
Mr. Hurndall.

Mr. Ross.
Mr. Pyott.
Mr. Rogers.

Minutes read and confirmed.

Mr. Andrew William Heeger examined.

Adjourned until Monday, 15th May, 1905.

Monday, 15th May, 1905.

PRESENT.

Dr. PETERSEN (Chairman).

Mr. Ross.
Mr. Wilmot.
Mr. Rogers.

Mr. Pyott.
Mr. Hurndall.

Minutes read and confirmed.

Mr. Duncan Hutcheon, M.R.C.V.S. (Colonial Veterinary Surgeon), and Mr. George Egerton Dugmore, M.L.A., examined.

Adjourned until Friday, 19th May, 1905.

Friday, 19th May, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Pyott.
Mr. Rogers.

Mr. Wilmot.
Mr. Hurndall.

Minutes read and confirmed.

Resolved: That a Sub-Committee, consisting of Messrs. Pyott, Wilmot and the Chairman, be appointed to draw up a Draft Report and submit it at the next meeting.

Adjourned until Friday, 26th May, 1905.

Friday, 26th May, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Rogers.
Mr. Wilmot.

Mr. Pyott.

Minutes read and confirmed.

The Chairman brought up the Draft Report of the Sub-Committee.

Draft Report considered and amended.

Resolved: That the Draft Report as amended, be adopted.

Resolved: That the Chairman report accordingly.



MINUTES OF EVIDENCE.

SELECT COMMITTEE ON COLONIAL INDUSTRIES.

Monday, 27th March, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Wilmot.

Mr. Rogers.

Mr. Graaff.

Col. Bayly.

Mr. Ross.

Mr. Pyott.

Mr. George Adie Scott, examined.

1. *Chairman.*] You are the Managing Director of Messrs. W. and G. Scott, Limited?—Yes.

Mr.
G. A. Scott.

2. We have asked you to be present to give us some information on Colonial Industries. I believe you employ a large number of hands?—Yes.

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3. And you have up-to-date machinery?—I think we have the largest plant in our line in South Africa,—at least, I do not know of any other firm which has an equal quantity of up-to-date machinery. Our machinery has been imported from Britain, Europe and the United States, and is the most modern that can be obtained for wood-working purposes.

4. Your business has gone back very considerably of late, has it not?—Well, the depressed times have of course set business back.

5. Do you attribute it entirely to that?—Not entirely.

6. To unfair competition from abroad?—Well, I should say that principally the first cause of the

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depression is the depression in the building trade. Then, secondly, I should say the large importations of manufactured joinery and woodwork that have come in lately. If you look at the Customs returns you will find that these have increased considerably.

7. Is that of recent date?—Yes, last year.

8. Was that due to the Bloemfontein Convention?—Well, I would not say that; I think it is just the competition of merchants. You know the merchant of this country—he is a competitor of the Colonial manufacturer; so long as he can drive you into a corner he will try.

9. All these things which are imported—joinery for instance—you could manufacture here?—We do not import any joinery except the cheaper made doors from America. We make everything in competition with the American article.

10. These cheaper-made doors;—could not you make them here?—We could make them here, but we are unable to buy that class of timber from America cheaply. The Americans protect themselves, and refuse to give us what I may term the raw material, that is, timber in the rough bulks.

11. Could you not get that from Canada?—We have tried to get it from Canada, but so far have been unsuccessful. We have tried to get timber in the log—and that is the cheapest way to get it in bulk. When we obtain Pine in bulk then it might be possible to make doors; but at the present time we can buy a cheap door made in America at about the same value as we pay for the timber.

12. Do you think we should impose a protective tariff to help you?—Well, it would help greatly, because when stagnation of trade comes on people who have machinery have to keep it running, or else shut down. If they could make these cheaper articles it would help them to keep their business going, and assist to pay interest on capital invested. Manufacturers also have to pay the heads of departments and workmen, and the more you can manufacture the cheaper becomes your article;

everything that comes to you is like grist to the mill. Though our business has been successful without protection, it would encourage the industry in which I am interested.

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13. But does it not stand to reason that if you had protection it would give employment to more men?—Yes.

14. What is your weekly wage bill?—We average about £24,000 a year. That covers mechanics, labourers, clerks; in fact it includes the whole staff.

15. But if you had a certain amount of protection could you not employ more men?—Well, we would double our skilled workmen at least. Of course, we have the machinery, we have the premises, and we would have no trouble in doubling the wages and the number of men. I made a rough calculation that providing all the wood material was made in this country it would increase, I think, skilled labour to the extent of from 800 to 1,000 men.

16. It would increase it by that?—Yes.

17. Are you applying to this Cape Colony only?—I am going on the imports alone. On a rough calculation, I found out that was the result.

18. I believe that a good number of articles are sold for a high price in America and the surplus exported and sold at a lower rate abroad?—I do not quite follow you.

19. That is what is called "dumping"?—Well, it takes a little time to explain that. I had a conversation a few years ago with a large manufacturer in Canada. When this man was here I asked him how it was they could make those articles so cheaply, because, as I said, "I cannot buy the wood from you at that price." He said: "It is just this: In the winter months, instead of shutting down our plant we work up all our offcuts (*i.e.*, narrow and small pieces) into whatever it will make," and I said: "That accounts for you selling it so cheaply." He said: "Yes; for instance, window-shutters for the Cape, they come out of our scraps." "Then, in other words," I said, "you are making this country the dumping-ground."

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20. *Mr. Wilmot.*] How many men do you employ just now?—I think about 130.

21. How do their wages range, the highest to the lowest?—Skilled mechanics get 14s. per day, and they range from 9s. to 14s., depending on the skill of the mechanic.

22. If you had a good protection how many could you employ?—We could quite easily double our present staff.

23. You could double your staff, you think?—Yes, we have the plant on the premises.

24. Now supposing that nothing is done in the way of protection, would your business diminish or remain the same?—In addition to being manufacturers, we are merchants, and that question depends upon the trade of the Colony.

25. But if you were not merchants?—Then I think it would diminish. The tendency is to import everything. Take the case of the Colonial Mutual Insurance Company, then again we had the Colonial Exhibition : all the material for these premises were imported ready for fixing; besides, numerous shop-fronts are imported knocked down into small space ready for fixing. Agents obtain these orders through attractive catalogues and designs, the manufacturer not having time to solicit for orders, so the foreign agency comes into competition with the manufacturer. The time was when we made Church furniture largely, school desks, etc., but you do not get an opportunity now to quote for these—the agents supply them from all parts of the world; and the strange part is that we are teaching our children in this country carpentry work, and the desks which they use are imported, when they could be made equally well here.

26. But, supposing you put on a fairly reasonable amount of protection, would the price of the articles be increased, and—if increased—in what ratio?—On the cheaper made joinery you would have to increase that considerably. We manufacture windows of all classes in competition with the Swedish or American made article; well, in the smaller

sizes we are not able to compete, but in the larger sizes we are. In other words, the small window costs us as much as we get for it, and we can only sell retail; we cannot sell wholesale,—we cannot sell to the merchant. Well, therefore, you would have to put on each door and window that comes into this country a special duty of say about 5s. There it might be said it is a hardship to the working man, but I contend it is not the case, because £4 or £5 would cover all the woodwork in his house, and it would give additional employment and additional spending power of money in this country. It is only on the cheaper article that the increased duty would be required. When you come to the better and dearer article we are able to compete, and have done so for the past fourteen or fifteen years.

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27. Have you any information as to this cheap-made stuff being made in prisons by convicts in America?—I have heard so, but I could not say it is the case. In America they buy the stuff in bulk; we cannot get it in bulk, because the Americans say: "That is our business, we want to cut up the wood into boards and ship it to the Cape." We have tried for five or six years to obtain American White Pine for door-making in bulk. American manufacturers say they will not give us Pine in bulk because it interferes with their trade.

28. Are you prepared to give a memo. of what you consider wise duties for the purpose of protecting your business?—I think I can give you a copy of what the trade has considered to be a fair report, and sent in to the Manufacturers' Association.

29. Will you put it in?—Yes. (*Paper put in, vide Appendix.*)

30. *Mr. Rogers.*] To what extent has your business fallen off during the last two or three years?—In 1902 we had over 200 men employed; in 1903, about 187; in 1904, about 181; it has now dropped down to 130. Our year ends on the 31st June, so that in dealing with these figures we take them from that date. About the end of last year we only

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worked about three-quarter time instead of discharging the men; that was the first considerable drop we had for a number of years.

31. To what cause do you attribute your diminished business during the last three years?—Not during the last three years—you might say two years. Well, I should say the depression in the building trade principally; and secondly, the large importations of manufactured wood-work. The cost of living is much higher than it was a few years ago, and there is a general financial depression which is extending all over South Africa. We manufacture for the other States as well as for Cape Colony, but at present we are doing no business with Rhodesia or the Transvaal in manufactured goods. These are the main causes.

32. How long have you been in business in this country?—In the timber trade I have been about fourteen or fifteen years. I have also been in the building trade previous to taking up the manufacturing of and dealing in timber.

33. Are your profits as large as they were some years ago?—I do not know what the profits will be this year—I am afraid of them. I do not think there is a timber business making very much. I hardly think it is worth the trouble of employing so much capital and labour for the return you get.

34. Could you employ more hands if you had the duty increased on the manufactured article?—I think there can be no doubt about that. Not only what we employ, but almost every business in Cape Town would double their skilled labour, because directly you stop the importation of manufactured wood you are bound to increase your number of hands. The importation of manufactured goods has increased about 280 per cent.—that is between 1899 and 1903, and this is caused by the competition of agents and merchants, and the improved method of packing. The merchants copy our designs. We make a door frame, and they send a drawing of the frame to their principals, who send the article out in ship-loads, “knocked-down,” and the merchants

then force a market for it. This is what happened during 1903; merchants have all imported very largely on the expectation of trade keeping up as it did during 1902 and the early part of 1903.

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35. What increase of duty would enable you to shut down the importer from importing this stuff?—Well, I should think about 20 per cent. on the manufactured article. I do not ask that for our own business, but if you are going to try to shut out the importation of cheap stuff you want at least 20 per cent. duty on it.

36. *Mr. Graaff.*] From where do you mostly import ready-made articles?—Largely from Sweden and America.

37. How does the imported article compare as regards durability with the Colonial-made article?—In the cheaper made joinery the Colonial-made article is by far the best. The cheaper-made windows that come out “knocked-down” is put together generally by unskilled labour; it is generally thin and very shaky; the window made here is generally seasoned, and altogether it is better.

38. What is the difference in the cost of the imported and the Colonial ready-made article?—As regards the smaller made window, you can import it probably a few shillings cheaper than you can make it here.

39. But what rate of percentage?—About 20 per cent.

40. Do you deal in Colonial timber?—No, we use very little Colonial.

41. What is the reason of that?—Well Colonial timbers so far are nearly all hard woods. The time will come, I believe, when we will have Colonial timber, but that will take twenty years yet. At present Mr. Hutchins tells us that about one-third of the production in Cape Colony would be available for use, but it will take twenty years before practical saw-milling can be turned to attention in this country, according to his opinion. Hard timbers, of course, are not suitable for joinery as a rule.

42. Cannot we produce the same timber here?—

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Oh yes, I believe we can. If the Government had taken that question up about forty years ago we would have been in a different position to-day.

43. Do you employ any Colonial men?—We employ Colonial men in the sawing and planing mills principally, but not, as a rule, for highly skilled labour, because they are not being taught.

44. Do you mean to say they do not go in for the trade?—No; they go in for it in a sort of fashion, but they never learn the trade as a European does. They did years ago, but they do not now.

45. I am alluding to Colonial Europeans?—Well, no; they are principally of European extraction, but they may be Colonial born.

46. Do you mean to say that the material for the Colonial Mutual Insurance Company's building has all been imported?—Except the stone and bricks. Everything came here ready-made in the wood-work with the exception of a few hundred feet of cornice moulding.

47. Do you know the reason of that; could not they procure it locally?—I do not know the reason. Probably it may have cost them less, but I could not go into the merits of this. This much I do say: it is very unfair, the Company drawing its resources from this country and being allowed to do that.

48. Could all the materials have been made here?—Yes, I am quite safe in saying that all the joinery could. I do not know what the front work is—it is a kind of terra-cotta; well, it is possible we could not make it here in sufficiently large quantities. There are factories here which can produce terra-cotta, but whether they are sufficiently developed or not I cannot say, but the great drawback is this: manufacturers are not asked to quote. You never get an opportunity, it is imported ready for you. It is less trouble for the architect.

49. Well, the only way of preventing things of this description, I suppose, is to put a higher protection duty on the ready-made articles?—Yes, I am afraid so.

50. Has imported timber been reduced in price lately?—Yes, about the end of last year.

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51. Now, how does the imported timber compare with that of Colonial growth?—We have excellent timber, but it is about three times the price. You can get timber from any part of the world cheaper than from the Knysna. I may say that taking the duties and tariffs in other countries—Australia, for instance, imposes a duty of 20 per cent. on timber and also a special duty on doors; they put from 3s. to 7s. on each door—the Australians have no timber suitable for door-making, although they have plenty of hard timbers. They buy their timber from New Zealand, make it up in Australia, and send it to us. New Zealand imposes a duty of 25 per cent.; Canada, 30 per cent., and America, 35 per cent. We have only 10 per cent., and the hardship to us is that we pay 3s. per ton duty on our coal, a duty on our oil and all the other ingredients which go to make up the manufacture of the hundred-and-one things we use in course of manufacturing. We pay about £8,000 or £9,000 a year duty, but that covers all imports—hardware, cement, etc., as well as timber, and my contention is that a firm of our standing is worth to this country five or six times as much as a merchant who keeps a few clerks and a few coolies. He probably pays a small amount of wages, and yet we are taxed unjustly. We are taxed on the raw material which costs more to bring here on account of its being unplanned. It will not pack closely together, and in consequence we pay one-eighth extra freight, besides freight on waste. We pay duty on all the other ingredients which go to make up that article, which is very unfair. Then, the duties for the last twenty-five years have been chopped and changed about; sometimes we pay one duty and sometimes another.

52. Is the duty higher on the raw material than on the ready-made articles?—The duty is the same—10 per cent.

53. At the time you were speaking of?—Yes, it was. They changed the duties a short time ago. We are now paying about double.

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54. *Mr. Pyott.*] What duty are you paying to-day on the bulk of your timber you are importing?—About 10 per cent.

55. You have nothing coming from England?—Nothing except the higher grade timber, such as mahogany and oak.

56. You point out in the letter to the Manufacturers' Association, which you have handed in, that "manufactured goods such as mouldings, joinery, church furniture, shop-fittings, etc., should be taxed on a very much higher scale than is now in force." These being made in England, also the United States, what would be the duty on them?— $7\frac{1}{2}$ per cent.

57. Then you are paying practically $2\frac{1}{2}$ per cent. more for your raw product?—Well, when you are making your goods you must bring more material than you want.

58. This is the point I want to make: It is practically on the value of the article that you are paying the $7\frac{1}{2}$ per cent., proving that you are saving the difference of $2\frac{1}{2}$ per cent. between the raw material and the manufactured article?—Yes.

59. What would you recommend as a protective duty in place of the present $7\frac{1}{2}$ per cent.?—I would like you to reduce the duty on the raw material as much as possible.

60. What would your suggestion be as regards bringing timber in bulk—free?—About 1s. per 100 feet, or something like that. In other words, I would like you to take the duty off the raw material and put it on the manufactured article.

61. You point out that you can make the higher class article, but not the cheaper, smaller article, to compete with America?—Yes.

62. It will be necessary in that case to make doors and windows rated articles?—That is what the Australians do.

63. Can we put it as a suggestion from you that doors should be rated instead of being under an *ad valorem* tariff such as the cheaper-made doors and windows?—Yes.

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64. Do you find that American agents have goods on consignment here and sell them for what they will fetch?—That happens sometimes.

65. What I may call “dumping”?—Yes, that has been done by certain firms. “Dumping” does go on. There is hardly a week passes without our firm being offered consignments of joinery cheaper than we could make it for.

66. Then it practically takes the bread out of the mouths of the workmen of this country?—Nothing more nor less.

67. You said it is impossible to get highly skilled men in this country?—I do not say it is impossible.

68. I mean Colonial youths?—Generally.

69. Can you tell us the reason of that?—My opinion is that all industries are going back and the youth is not encouraged. You do not find them coming forward, or if they do come they only stay for a year or two until they get a smattering of the trade, and then they leave for higher wages, so you may attribute it to the high cost of living.

70. They will not take the time to learn a proper apprenticeship?—They will not stop five years to learn.

71. America has what you call a consolidated tariff on wood goods, and Australia practically the same; what would you care to put in before this Committee—what would you suggest, that is, for timber in bulk, deals, planed wood, mouldings, and the finished doors and windows?—It is rather a big question to go into, but I think the trade is quite prepared to deal with that. They suggest, I think, an Advisory Board. There is another thing; you should make your duties be fixed for a number of years.

72. You want a guarantee that if a capitalist puts his money into the business he will be safe for a certain number of years?—Yes.

73. *Mr. Graaff.*] How does the workmanship of the imported ready-made article compare with the workmanship of the goods made here?—The goods made here are better in the cheaper grades;

Mr. in the higher grade they are equally as good,
 G. A. Scott. and in some respects better. We have nothing to
 Mar. 27, 1905. fear as regards the substantially made article.

74. I mean with regard to mouldings. Can you turn out as good a moulding here?—We pride ourselves on turning out a better moulding here. We have the best machinery, and we can compete with any other part of the world.

Friday. 31st March, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Wilmot.

Mr. Rogers.

Mr. Graaff.

Mr. Pyott.

Col. Bayly, C.M.G.

Dr. Rudolf Marloth, Dr. Phil., etc., examined.

Dr. 75. *Chairman*]. You are a Doctor of Chemistry ?
 R. Marloth, —A Doctor of Philosophy and Professor of
 D.Ph., etc. Chemistry, formerly of Victoria College.

Mar. 31, 1905. 76. I would like to ask you about Colonial spirit properly rectified : is not that as good as any spirit imported?—Certainly.

77. And we can produce it?—I do not know if anyone has the necessary appliances for it, but there is no question that it is possible to do it.

78. Now we have properly qualified chemists of European qualifications here. have we not?—Do I understand you to mean scientific chemists or chemists and druggists?

79. I mean chemists and druggists?—Oh, yes.

80. Do you think they would be qualified to make the preparations which are in the British Pharmacopœia?—Of course : there are quite a number of gentlemen in this Colony who have the highest English qualifications.

81. Now, the tinctures which are used here : could they be produced here quite as good as the

imported tinctures?—Certainly, with the exception of a few which are made from fresh herbs not grown here. As a matter of fact, those would have to be cultivated, and that would not be the same thing, but there are only a few of those.

Dr.
R. Marloth,
D.Ph., etc.
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82. If we import the tincture here we get it in at *ad valorem* duty?—I do not know; I know there have been some changes and re-changes, but I do not know what the duty is at present.

83. If the drugs and spirits were imported separately the spirit duty would have to be paid?—Yes.

84. Do not you think it an unfair thing? You say that we can make the tinctures out here. That handicaps the trade, does it not?—Well, it does.

85. That applies to Dutch medicines also?—I think most of them contain spirit.

86. Is not that putting a premium on foreign labour as against Colonial labour?—Well, in this country there are many other things in the same way.

87. But if we import the spirit we have to pay a heavy duty on it; if we import the tincture we only have to pay *ad valorem* duty. If you introduce the drug and the spirit separately that is putting a premium on the imported tincture?—Oh, yes. Now, we have a duty on methylated spirit, but if you introduce it into the Transvaal or the Orange River Colony it is duty free, and so far as I know there is no distinction made between methylated spirit and pure spirit—I do not know that we have adopted the method of making a distinction between the two. The principle in many of the countries at Home is that all spirit used for other purposes than for drink is free, and for that purpose the methylated and wood spirit is made unsuitable for drinking purposes.

88. *Mr. Wilmot.*] Some people use it for drink?—Only a few.

89. Have you thought over the subject so as to be able to suggest any policy in the matter which

Dr.
R. Marloth,
D.Ph., etc.
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would be a good thing for this country ; what do you think should be done with regard to tinctures and Dutch medicines ?—Well, I have always looked upon it as a natural handicapping of the Colonial spirit against the foreign spirit. Tinctures may be imported at the ordinary rate of duty, and consequently the local manufacturer, who has to pay a much higher price for spirit than the maker at Home, cannot compete with him.

90. You think we should put a heavy spirit duty on ?—Well, that would do away with the importing of the bulk of the tinctures.

91. We want to compel the people to use the Colonial spirit and as you yourself say that we can make it here quite as good, we think the Colonial article should be used ?—I suppose the original argument was that all the ingredients used for health should be imported at a lower rate, but on all other things they have to pay the ordinary duty, and it is more an economic than a technical one. If it is the wish of the majority of the gentlemen who have to decide the question to assist in the manufacture of pure spirit, then it would be the simplest way.

92. Then as regards the chemical products used in medicine ; can you make any suggestions, that is, as regards the duties on medicines imported from Europe ?—I have not considered that question.

93. *Mr. Rogers.*] What are the ingredients required to manufacture these medicines ?—Well, of course spirit is one of the principal ingredients, and various kinds of drugs, which are practically all imported ; this applies to all official tinctures as well as Dutch medicines and others. I may add, perhaps, that there are some preparations in which spirit is used that are not at present manufactured here, and which are not tinctures, like Spirit of Nitrous Ether, etc. That might be a point to consider when the present state of things is altered, namely : whether on those also the spirit duty should be paid or not. I do not know whether a Colonial chemist would be able to produce Spirit of Nitrous Ether here.

94. *Mr Pyott.*] What is the duty on imported spirit?—As far as I remember, it used to be 15s. per gallon. If that is imposed it will naturally do away with the trade.

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R. Marloth,
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95. It means then that there is no imported spirit used in Cape Colony to-day?—Only one, viz. : absolute alcohol. One firm, I believe, have started making it; it has always been imported, but I do not know whether the spirit duty is in force in that case or not.

96. The Colonial spirit is taxed by Government at 6s. per gallon. Now, what are the difficulties under which the manufacturing chemists are suffering?—At present, tinctures are imported; these contain spirit. Now they are only subject to $7\frac{1}{2}$ per cent. *ad valorem* duty. These tinctures are made of an ordinary drug and spirit; if you import the drug and spirit separately to make the tincture here you must pay the ordinary duty on the drug and the heavy duty on the spirit, but if you import them under the guise of a Dutch medicine you only pay the ordinary $7\frac{1}{2}$ per cent. What we want the Government to do is to impose a duty, which will do away with the importing of 99 per cent. of tinctures. The farmer says that putting a duty on spirits protects him, which is just. At present you are putting a premium on foreign labour. The manufacturer of Dutch medicines used to employ hundreds of men, but it does not pay him. All the tinctures are manufactured in Europe.

Monday, 3rd April, 1905.

PRESENT :

DR. PETERSEN (Chairman).

Mr. Wilmot.

Mr. Rogers.

Mr. Graaff.

Mr. Ross.

Col. Bayly, C.M.G.

Mr. James Sanderson, examined.

Mr.
J. Sanderson.
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97. *Chairman.*] You are a maker of saddlery and harness?—Yes.

98. Do you tan your own hides?—Yes.

99. How do you find the trade to-day as compared with a year ago?—A year, or two years ago, it was very good, on account of the war, but compared with that time it has fallen off considerably to-day.

100. Why is that?—On account of the duty being taken off.

101. You pay your men a good wage?—Yes; the average wage of the workman to-day is from 40s. to 60s. per week.

102. Is the leather you use imported or made here?—It is imported.

103. Why is it imported?—Because we cannot compete with the imported leather; it is dumped here at cheap prices.

104. In fact, the whole trade is suffering?—Yes.

105. *Mr. Graaff.*] What would you suggest to improve things?—I would recommend a duty,—I would not suggest a prohibitive duty, but about 20 per cent. When it was $12\frac{1}{2}$ per cent. we could just come out, and were able to do out business, but then salaries were lower. When the duty was reduced from $12\frac{1}{2}$ per cent. to $7\frac{1}{2}$ per cent. we were obliged to stop. It was only during the war, and through the contracts with the German Government, that we were busy. Now, it is impossible to tan our leather here to make it pay,—there is the increased price of fuel, for instance.

106. What class of articles imported affect you principally?—Principally leather. A great quantity comes from Australia—more than from England—and also harness and saddles. The better class of harness we can manufacture and compete with the imported article, but it is in the cheaper class of stuff that we cannot do so.

Mr.
J. Sanderson,
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107. What would you recommend; a higher duty on leather?—Yes, to enable the tanners to tan their own leather. I should recommend about 20 per cent.

108. Could you get sufficient hides for making leather in this country?—Yes, there is no scarcity at the present time.

109. How do our Colonial hides and leather compare with the imported?—They compare very favourably; we can make leather quite as good as the imported article. The hides are equally as good as they use in other parts, and the leather we manufacture is equally as good as the imported.

110. Would you recommend a duty on the raw leather as well as on the manufactured article?—Yes, I should.

111. How is the price of Colonial leather to-day compared with the price before the war?—I do not think anyone tans just now. The little which is going on now is on the chance of getting more in the future.

112. What becomes of the Colonial hides?—They are all exported.

113. How many workmen did you employ before the war?—About 300 to 350, and we were always short of hands then.

114. And what would you be employing to-day but for the German Government work?—About twenty. We simply keep the men on to prevent the machinery from rusting.

115. Have wages come down at all?—No, we have not attempted to reduce the wages; we do not think a working man can live under forty shillings a week.

Mr.
J. Sanderson.
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116. If you had proper protection would you do as large a business as before the war?—Yes, I am quite sure we would.

117. From where do these imported articles come?—The leather comes principally from Australia, and the manufactured articles (including a good part of the harness) from America and England.

118. At what price could they buy leather from Australia?—Retail at 1s. 3d. per lb. It was bought recently at 1s. per lb., and it has been bought as low as 11d.

119. And what price do you have to pay for Colonial leather?—You cannot manufacture it under 1s. 6d. per lb.

120. So that it pays you better to import it?—Yes, and that is what we have been doing. The whole of the stuff we are making up for the Germans is of Australian leather. We bought between 3,000 and 4,000 lbs. recently for this German contract.

121. So you could get sufficient Colonial leather if the duty were put on the imported leather?—Yes.

122. *Mr. Rogers.*] You say that before the war you employed about 300 workmen?—Yes. Now we are employing 200 or 300, but that is owing to the German contract.

123. Have you any idea as to what the other men are doing now?—I think they have all left the country.

124. *Mr. Wilmot.*] People complain in this country with reference to manufactures, and especially as regards tailoring and dressmaking, of very bad workmanship and high prices. Now, do you think that with adequate protection the area of sale would be so greatly increased as to make the area of competition so large as to cause a great reduction in price and really good workmanship?—Yes.

Wednesday, 5th April, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Col. Bayly, C.M.G.
Mr. Ross.

Mr. Wilmot.
Mr. Rogers.

Mr. Rene Santhagens, examined.

125. *Chairman.*] We have asked you to give us some information about the Wine trade. I believe you are an expert?—Yes.

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126. We have been given to understand that it is possible to make a good wine in this country—at all events equal to those made in France?—We can make a wine here equal to the ordinary French wines, but to do that you will have to import the vine sticks and other things. We have not the proper vine sticks at the present time. For the present moment we can make a wine which will keep without fortifying, but that is not so good as the ordinary French wine, because the first material is not so good. We have only two vine sticks; there is the Stein and the Hermitage, the green grape being a table grape belonging to the family of the Chasselas. I do not think you can make the same wines as the German wines. If we want to imitate the European wines, we must imitate the wines made in places where the climate is similar. In Germany, they make their vintage at the end of October, and there is another temperature then, and, naturally, other methods used for the wine-making.

127. You are fairly well protected in wine in this Colony?—Well, no.

128. You have 6s. per gallon; is not that a high protection?—Yes, but I should say this: if the farmers make wines which will not keep, and the wines turn sour, they cannot use them to make vinegar, for the reason that they cannot compete against the so-called malt vinegar made from

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imported acetic acid or vinegar essences. I think if you had a tariff to prohibit acetic acid and vinegar extracts you could make vinegar from the wines which have turned sour. The vinegar is sold at 7s. 6d. a case in Johannesburg. If you go to a grocer, you will always get malt vinegar, and this in a wine producing country. Pure wine vinegar is the most wholesome of all vinegars.

129. There is no duty on that, is there?—No, or very little.

130. *Mr. Wilmot.*] Can bad wine make good vinegar?—That is the best vinegar you can make from these sour wines.

131. *Chairman.*] Acetic acid is made from——?—It is a chemical product.

132. You want to protect the wine trade in this way—by making an outlet for bad wine as vinegar?—Yes.

133. *Mr. Wilmot.*] There is so much bad wine made that it is a large thing, is it not?—Yes. They could, perhaps, export the wine vinegar to England, and elsewhere, if they were protected.

134. *Chairman.*] Could we export tartar from here?—A little.

135. Can we purify it here?—No, it would be too expensive here.

136. *Mr. Wilmot.*] Speaking generally, do you mean to say that the Cape grapes are not suitable for making light wines?—Oh yes.

137. But do they produce it?—It all depends on what you call light wines. A light wine is, what I may say, a wine containing a percentage of alcohol of not more than 11 or 12 per cent., and those wines you get generally between Constantia and the Paarl district. Very seldom can you get wines containing more than 12 or 12½ per cent. in those districts; possibly you may get some stuck-vats containing stronger wine, but that only at the finish of the vintage. In general, however, they do not exceed 11½ per cent., and they are afterwards fortified, and then cannot be called wines, because it is then only a mixture of wines and spirits.

138. Are Cape wines light generally?—In Worcester and northwards, they are not generally. Table wines should not exceed a percentage of 11 per cent. of alcohol.

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139. What is the correct course to make light wines in this country—I suppose it can be done?—It can be done. If you have a grape juice, containing a high percentage of sugar; and if you want to make light wines with it, you only add sufficient water before fermentation to that juice. The addition of water before fermentation is legal if you are pressing a grape juice of 23 or 24 per cent. of sugar, and you get during the vintage a heavy rain, you are obliged to stop the vintage. If two days afterwards you test the juice, instead of 24 per cent. you will find 22 per cent. owing to the water the plant has taken up. In this case, the sugar percentage has been reduced by nature.

140. Then, speaking broadly, the people do not understand the way of making their wines in this country: they ferment at the wrong temperature?—That is the reason. At the end of June, and afterwards in the spring, the temperature goes up, and then the not well fermented wines must go bad as a new fermentation caused by microbes sets in.

141. A lot of unwholesome wines come into the market?—Not unwholesome, but bad wines—not palatable.

142. What do you suggest as a remedy against drunkenness?—I was a manager of a distillery in the Transvaal. When, in that part of the country, the total prohibition of liquor to Kafirs was declared, the latter ones made Kafir beer, and unscrupulous Europeans provided them also with spirits sold to them with a large profit. The Kafir generally comes to the canteen to get drunk, and he is not satisfied unless he gets drunk. If you can make the Kafir drink light wines it would certainly be better for him, and drunkenness will diminish.

143. How are you going to make good wines?—You want the proper men for it.

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144. *Chairman.*] The value of land in France is higher than it is in Cape Colony, is it not?—Yes.

145. Then how is it that in every restaurant in France you can get your wines for nothing?—I should say that if there is a large quantity produced in this country, a man can get a handsome wine at 6d. per bottle.

146. You are referring to light wines?—Yes. As a suggestion, I should say, let the nigger drink nothing but light wine in order to stimulate the production of it.

147. The Government sells its wines at 3s. 6d. for a large bottle; do you think that is too much?—Yes. If you have co-operation, and the farmers come together they will be satisfied to have 6d. per bottle, but to whom can they sell it; if you help the farmer to make the wine and put a restriction on the sale of it, what have you got as the result? The Englishman in general is not a wine consumer; you may say the only wine drinkers among the Europeans here are the Swiss, the Greeks and the Italians. That is the reason why the farmer says:—“If I cannot sell to a nigger I must close my business.”

148. *Mr. Wilmot.*] You say we should make a light wine and give it to the Cape Kafir?—Yes.

149. *Chairman.*] Then you do not understand why you get a light wine with your meals in France and not here?—Here, the farmer is not so much behind the times, but he has to look after other things, for if he does not sell his wine with a good profit, he must sell his fruit, cereals, etc. If he could get more money for his wine he would enlarge that part of his business and look better after his wines, and be able to sell his wines directly to the consumer.

150. *Mr. Rogers.*] How long have you been engaged in the wine business in this country?—Since 1898 I have studied it in this Colony.

151. *Col. Bayly.*] You were an expert when you came out here, were you not?—Yes.

152. *Mr. Rogers.*] Is it possible to make as good a wine here as in France?—Oh, yes.

153. Why is it not done?—At the present moment the farmer has only certain kinds of grapes. To make better wines they would have to plant, in addition to their existing vineyard, other kinds of vine sticks. On the Government nurseries trials are made in this line. I think that the process is rather slow and think it would be better to import new sticks from Europe and plant them out after a quarantine of, say, six months during the summer in the Eastern Provinces under the supervision of the Government.

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154. Then from what you say it would appear that we have not the kind of grape growing here to make the quality?—No, nor the quantity.

155. Is the soil suitable for a vine for good wine?—Of course, if a good selection of the soil is made.

156. These vines could be obtained?—Oh, yes.

157. Then why are they not?—I do not know. If you speak to a farmer and advise him to import these vines, he says at once that the Government must do it. There is no initiative on the part of the farmer for the importation of new vine sticks.

Friday, 7th April, 1905.

PRESENT :

DR. PETERSEN (Chairman).

Mr. Wilmot.

Mr. Rogers.

Mr. Graaff.

Mr. Ross.

Mr. H. P. Schunkë Hollway, examined.

158. *Chairman.*] You are a wine-farmer, are you not?—I am the Managing Director of the Groot Drakenstein Vineyards Company, Ltd., and a practical wine farmer.

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159. Can you produce wine here as cheaply as they do in France?—Well, it depends upon the kind of wine you mean.

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160. I mean the *vin ordinaire*, the same wine as they sell in France?—We are not producing that kind, we produce a higher class of wine.

161. Is not the wine in France matured?—Yes, the better class wines, but not the *vin ordinaire* which is made of the common varieties of grape which produce a large quantity of wine of such varieties as the Aramon and others. This wine is largely blended with cheap Bulgarian wines which are seldom matured. We could produce the quantity of wine if we had those varieties.

162. The land here is cheaper than it is in France, is it not?—Yes.

163. Then should not you be able to produce wine cheaper here than they can in France?—Well, the expense here is greater, and the conditions are totally different; it means a good deal of capital.

164. You are well protected in this country, are you not?—We are not sufficiently protected.

165. But surely 1s. per bottle is sufficient protection?—No, certainly not.

166. A shilling a bottle is 6s. per gallon?—Yes, but all the selling is in the hands of people who buy the cheapest kind of wine and have to manipulate it.

167. Then the producer gets nothing for his stuff?—That is it.

168. What is the remedy you suggest?—If the farmers, with Government assistance, or with the help of men of means, were to amalgamate their interests and produce wine in large quantities of a uniform quality.

169. Would you suggest any alteration of the Customs tariff?—I should suggest more protection still.

170. What would you suggest; you have a shilling per bottle now?—I think something in a modified form, as brought forward by Mr. Merriman the other day in the House of Assembly would suit.

171. Did he not refer to whisky?—Yes.

172. We are talking of wine?—Indirectly it also touches the wine industry.

173. *Mr. Wilmot.*] What is your opinion of the wines here as compared with the Continental wines?—There is no good wine here in any quantity. If you get a good wine you can never get that same wine a second time. There may be large quantities of an inferior quality, but to get a large quantity of high-class wine of uniform quality, means a considerable outlay of capital. You must make at least 25,000 gallons a year for export.

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174. Is this a country which can produce a good light wine?—It can, but it does not, because none of the wines can be kept without preservatives or fortification.

175. Then the wines are heavy?—Yes. To taste them you would say they were light, but in point of fact they are not.

176. You want additional duties, then, first?—Yes.

177. Is it not better to make a good wine first and then ask the Government for a heavier duty?—Yes. At present the bulk of the wine made is not fit to be drunk as wine, but is only fit to be sold to the distillers, and on account of the excise they will not buy at present.

178. *Mr. Rogers.*] What is your opinion of co-operation as far as your industry is concerned?—As far as I know, co-operation has only been successful in Germany and France, where it is most commonly found now. In parts where there is a homogeneous population — generally peasant farmers—of the same nationality, the same habits and each having about the same holding of land, it would do, but in other parts, where such a population is not found, co-operation has not been successful as a rule.

179. *Chairman.*] Then in other parts you would advocate that you ought to introduce a large number of people into the Colony?—No; I mean that our farming population is not sufficiently homogeneous. They have not the same extent of land, they have not the same education, and, what is more, they are more divided as regards politics.

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180. But if you bring in a large number of foreigners and settle them on the land?—That might do it, if brought in as tenants.

181. The farms are too large, are they not?—Yes.

182. *Mr. Rogers.*] Can you give the reason why Cape wines are not popular as a commercial article?—Because they are not pure, and cannot be obtained in sufficient quantity. For instance, wine merchants in London would not think of buying unless they could make sure of getting 25,000 gallons of a uniform and good quality. It should be made worth their while to send a man out here to look round and buy the wines.

183. Then do you think the small holders cannot make a uniform strength?—No, they cannot.

184. To produce any quantity of wines of a uniform quality from these small holdings they must have co-operation?—Yes. Of course, there are two ways of doing it. Firstly, there is co-operation; and then there is the other way, namely, having central wineries, as we are doing. We are prepared to buy the grapes from our neighbours. They are the best grapes produced in the world, and yet they are made into common stuff, for which at present they cannot get more than £2 10s. a leaguer. Our expert says that he can produce as good a wine as can be produced in France, but if for export it requires a large outlay of capital, and we have not, as yet, the market.

185. What is your price per dozen for wine?—“Cabernet Sauvignon Cinsaut,” which is sold by the Government at 27s. 6d., we are selling at 16s.; “Hock” at 13s., wholesale.

186. Do not you think those prices are too high?—Of course they are too high at present, but it is impossible to make the business pay unless we charge these prices.

187. Do you restrict the sale then by putting on too high a price? If you get £20 a leaguer how much a dozen is that?—But at present it means the employment of a large staff of trained men. Then again the wine has to be kept two or three

years in bulk before it can be bottled. Every time you rack off your casks there is a large residue which has to be thrown away, and there is loss by evaporation, etc.

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188. But if you reduced the prices would not the public drink the wines in place of—say whisky?—We should then have to sell at a loss. For three years we have been storing wine, it meant an expenditure of £2,000 a year in working the vineyards and cellars, and that cost has to be got back. We are only beginning to sell now.

189. *Chairman.*] The Government prices are prohibitive and absurd.

190. *Mr. Rogers.*] In that industry it seems to me that you have to place your capital out for three years before any return is made, is that so?—Yes.

191. Then would it not be just on the part of the Government to assist industries such as yours now? I believe that in Australia, if any individual or company can produce 25,000 gallons of wine a year, that company is entitled to a subsidy?—Yes, £3,000.

192. Would not that be a fair system to work upon in this country?—Certainly, it would.

193. The Government are spending a quantity of money at Constantia in putting down a huge plant, will that affect your industry in any way?—Oh, yes. We are told when we send our agents round canvassing that the Government's agents have already been round; at present we have to compete with the Government wines.

194. *Chairman.*] But there can be no competition if they charge 27s. 6d. and you charge 16s.?—We have only just begun. We hope to get a better sale in the future.

195. If you charge 16s. a dozen it gives you over £35 a leaguer, and, reckoning a fair price for packing and the cost of bottles, that should leave you a fair amount of profit?—Yes, but there is the commission, travellers' and other expenses of about 45 per cent. It is impossible to keep travellers and

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have agents all over the country with a smaller expense. We are told the wine merchants have declared war on any undertaking such as ours, and we are also told they do not mind what they spend to keep us out of the market. We do not get more than 9s. per dozen for our Hock, and on the wholesale lots it is even less than that for Drakenstein Hock.

196. What licence do you pay?—We pay a licence of £30 a year.

197. *Chairman.*] As a producer?—Yes.

198. *Mr. Rogers.*] And of course you pay so much more for the company?—Oh yes, our company is on the same level as other companies. In Australia it is not the case.

199. What duties are there on imported wines?—I think it is 6s. per gallon.

200. It appears to me that good wine is not produced in this country because we have not the quantity of a uniform strength and quality, is that so?—That is so.

201. And it is impossible to have this done unless you have co-operation?—Yes. In Australia they have very little co-operation; the wine industry was formed by private proprietary companies. They consist generally of members of one family and friends who join together and form a private company. They amalgamate all their interests, and the shares are held in such a way that they cannot be sold without the consent of all members. These companies are generally assisted by the Government. These people have created the industry. The condition is that the Government advance £3,000 and as soon as the company produce 25,000 gallons of good wine of a uniform quality they get that £3,000 as a bonus. But these companies are not on a level with public companies—a private proprietary company can be formed by simply paying a small registration fee.

202. I believe the Victorian Government advance some amount to these companies, and after a time it is given to them as a present?—At first it is

called a loan, because they might not attain the 25,000 gallons per annum, and then it remains a loan.

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203. *Mr. Graaff.*] Do you produce large quantities of wine?—We produce nearly 25,000 gallons a year now, and of course if we bought from our neighbours more extensively we could bring it up to 50,000 gallons and much more.

204. Do you make light wines?—Oh yes, all our wines are at present light wines, absolutely unfortified.

205. How long do you have to keep them before you dispose of them?—A light wine becomes fit to consume in eighteen months, but as a rule it should be kept for three years to be properly matured.

206. Where do you generally dispose of your wines?—In the Transvaal and this Colony; in the Eastern Provinces we dispose of a fair amount.

207. And what is the general principle of the farmer; is it to produce quantity or quality?—I think they generally produce as much as they can, but very few produce the quality. If they do, it is generally more luck than skill. A farmer may produce a few leaguers of Hermitage of good quality, but you cannot depend on his regularly supplying the same wine.

208. They study quantity more than quality?—Yes.

209. Suppose they reverse it, do you think it would pay them better?—They cannot do it; they have not the appliances, and it is of no use to produce a wine of good quality in very small quantities. It is very difficult to produce a wine twice of the same quality in small quantities.

210. What do you get for the best quality of your light wines?—After deducting all expenses, we do not get more than 1/- a bottle; that is for the best.

211. Would that compare favourably with the Rhine wines?—We can make wines as good as the Rhine wines, given the time to mature our wines.

212. How would that compare in price?—They are much more expensive.

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213. I mean the quality?—I have often been asked this question. We do not want to compare with other countries' wines, we want to make a good Cape wine and not to imitate the French wines. We want to make a wine characteristic of the Cape Colony, and then afterwards they will be known as the Cape wines.

214. If you do not compete with the other wines you cannot expect people to buy?—There is a difference between our Hock and our Cabernet Sauvignon Cinsant, each wine has to be judged in its own kind. Our quality will be as good as that of any imported wine, but we cannot call it a Rhine wine or a French wine. There is the difference in the climate, and there is the difference of bouquet.

215. *Chairman.*] People say that our Cape wines unfortunately have very little bouquet?—Well, we are endeavouring to improve that, but it requires suitable appliances.

216. They say our climate is against that; is that so, do you think?—We have overcome that. By the use of suitable appliances such as Attemperators the whole of the fermentation is kept under control. When our expert came he could not guarantee the bouquet and quality of the wine without these appliances.

217. *Mr. Graaff.*] You say the name of the wine is a detail?—It is the quality the people want.

218. What is the greatest drawback the farmers have as regards producing a better wine?—They have not the knowledge nor the appliances, and they have got in a bad way with the wine merchants, who do all the concoction. I had a conversation a short time ago with a man in the wine trade who assured me that all the wine was "faked." If you ask for "Old Crusted Port" they will send to Stellenbosch and get some red wine about six months old, and in about a fortnight's time they will turn out the "Old Crusted Port" from that.

219. Since you seem to think the farmers are not united enough for co-operation, what do you think

of the idea of the Government establishing depots in the wine districts to mature the wine, and not to dispose of it until it is fit for the market?—I do not think the Government should do that, I think it should be done by private enterprise, but the Government might assist the private individuals by having agents in London and other centres to help in the selling of the wines.

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220. *Chairman.*] But as soon as the Government do that they put their hall-mark on the wines?—It should be inspected before exportation.

221. *Mr. Graaff.*] Then you cannot turn out enough from South Africa?—At present the trade is in the hands of the wine merchants.

222. Can you get a good wine at £3 10s. 0d. a leaguer?—No, it is not one which will keep, and it could not be sold as wine, it is only fit for distilling.

223. Do you do business with the wine merchants?—Not with the Cape wine merchants, but we do business with the wine merchants in the Eastern Province. The Cape people are our greatest opponents.

224. Do you send out agents?—Yes, and travellers.

225. Do you think that light wines should be sold, more freely in places like restaurants and cafés, the same as they do on the Continent?—I think it is premature to think of that. We have not the wines to offer yet, and the consequence would be, I think, that all the bad, unmaturing wines would be sold.

226. If the Government took the matter in hand and only disposed of the wines which were fit to be consumed?—That would be a preventative, but it would be a cause of great dissatisfaction to the farmer.

227. *Chairman.*] In Portugal the conditions are similar to this Colony as regards climate; the land is dearer there, and yet you can buy good wine at 1/- a bottle; why should that be?—I cannot say.

228. *Mr. Graaff.*] Which would pay the farmer best: to make brandy, or to sell the light wines at 1s. per bottle?—If they could get 1s. per bottle for their wines, why they would make their fortunes.

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229. Could sufficient good wine be made to supply this market if you had better protection on the imported wines?—Protection would aid us in one way, but the chief thing is the matter of capital to be able to produce well matured wines.

230. Would it pay for the outlay of capital?—Oh yes. It has paid in Australia. Suppose one member of a family had land, another had money; they amalgamate, and in their amalgamation they do well. They do not speculate with their shares, and they get assistance from the Government.

231. *Chairman.*] If the Government here offered the £3,000 as in Australia, would it answer?—Yes, I think it would. We would spend the money on cellars and fustage, and the Government would have the security of the fustage and the wine stored in it.

232. *Mr. Graaff.*] Do you sell wines direct to the public?—Yes.

233. And you send price lists round?—Yes, but it is expensive, as we have to keep agents, the cost of which is very heavy.

234. And the Government is one of your competitors in the market?—Oh yes. They have the Railway Refreshment Rooms, besides this we are handicapped because most of the bottle stores and hotels are tied. Our travellers are told: "I am very sorry, but I am supported by such and such a wholesale firm, etc., and I am only allowed to sell certain wines," and there is the end of it. If we had not all the heavy expenses we could sell our wines at 6d. per bottle.

235. *Mr. Rogers.*] Do you think it possible for wine farmers to copy the system adopted by the wine experts at Constantia?—No.

236. Why?—For an Experimental Station it has been carried out on too large and expensive a scale.

237. Then, as a model, it is a failure?—As a model, I do not think it can be copied, but it has cost more than it should have done for an Experimental Station.

Monday, 10th April, 1905.

PRESENT :

DR. PETERSEN (Chairman).

Mr. Ross.

Mr. Rogers.

Mr. Graaff.

Mr. Wilmot.

Mr. William Russell Quinan, examined.

238. *Chairman.*] You are the General Manager of the De Beers Explosives Company at Somerset West, are you not?—Yes.

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239. I believe you have been hard hit through the Bloemfontein Convention. Is that so?—Yes.

240. Do you employ the same number of hands as you did a year ago?—No, we are reducing our staff on account of the construction of our Works being completed, but otherwise the work proper—making explosives—has been increasing.

241. Can you give us any information as to how your factory has been affected through the Bloemfontein Convention?—In the first place, before the Convention we had a protective duty on dynamite of 12s. 6d. per case; that was cut down to 6s. 3d. by the Convention. Before the Convention there was this duty of 12s. 6d. per case of 50 lbs., and also 3d. per lb. on Guncotton, so we decided to put up a factory for Guncotton at Somerset West; after we had put up a factory the duty was taken off. Before the Convention, the railway carriage to Johannesburg—where our principal trade is—was 4s. 3d. per case, or 8s. 6d. per 100 lbs., but it was the habit then to consider a case of dynamite as nett, that is, 50 lbs. a case, and it was really carried for 4s. 3d. per case. At the Convention it was raised to 6s. 8d. per case, *i.e.*, raising it about 60 per cent. At the present time it is 5s. 9 $\frac{4}{10}$ d. to Bramfontein, a station in Johannesburg. At the Convention a great advantage was to be given to our rivals by reducing the carriage on the raw materials. Until then some of these materials were carried at normal rates—some at intermediate,

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and some at rough goods rates ; they were then all thrown into the rough goods class, and that rate itself was reduced from 4s. 3d. to 3s. 9d. per 100 lbs. The result of the Convention was that instead of our having an advantage over our rivals, the boot is on the other leg. We placed our factory near the coast to save expense of raw materials being carried far inland, but our rivals in the Transvaal get their raw materials through Delagoa Bay and have the advantage of the short railway, and they can now undersell us on the Rand. As a matter of fact we have not sold 1 lb. of dynamite at a profit on the Rand. We, of course, hope to do better in the future, but at the present time things are not very bright.

242. Your principal trade is from the Transvaal ?
—Yes.

243. If you were to cut off that trade how would you do ?—Well, we need a large trade to make our undertaking profitable ; we need all the trade we can get to keep down the expense of manufacture and to get a big divisor for all the expenses.

244. How long have you been working the factory at Somerset West ?—Practically from September, 1903, and since then we have not sold one lb. of dynamite to the Rand without a loss, though we have got better prices at other points.

245. Could you suggest a remedy ?—Well, it seems unnatural that after building a factory all these things should have been done to handicap us. In regard to the duty, I would like to see it raised (if the Transvaal did not put on a counter duty), not to what it was before, perhaps to say 9s. or 10s., provided it does not provoke some action on the part of the Transvaal to give us a worse setback. At various times they have agitated the question of putting on a duty at the Transvaal border such as we have at the ports here, with an equal internal duty or excise on the dynamite made in the Transvaal, but the result of that would be that Modderfontein would be closed down. The

Nobels absolutely control it—every share of stock is held by the Nobel Co., and they might unite with Kynoch's for that sort of duty. Kynoch's are an English firm and seem able to compete, but they have not a very large factory for the particular explosive needed on the Rand. In regard to the Railway rates I have the actual figures. At present we pay 5s. 9d. per case, that is 9s. 4d. per 100 lbs. or £9. 5s. 6d. per ton. A case is 62 lbs. gross. This 9s. 4d., which is at the Rough Goods Rate as far as Norval's Pont and normal beyond, is divided in this way: 4s. 7d. for the Cape Government Railways, and 4s. 9d. for the Central South African Railways. Now the C.G.R. carry our stuff 626 miles, that is to Norval's Pont, and the C.S.A.R. 385 miles—from Norval's Pont to Johannesburg. Then we have had this intimation: When I was up in the Transvaal about a year ago making some effort to get a reduction, Mr. Price recommended a reduction from 6s. 8d. to 5s. 9d., and he said he would "stand for that" as he expressed it, *i.e.*, he would permit the Cape Government Railways to make that reduction; the Central South African Railways did not reduce their price but the Cape Government Railways did. They would be willing to do so further but they are afraid the C.S.A.R. would raise *their* rates to bring the total up to the present charge, and then this Government would lose the difference, which I should not like to see. I tried hard to get the Port Elizabeth rate, because Kynoch's, of course, are not obliged to ship to Cape Town, and they get that rate. We would like it, however.

246. Do you mean to infer that they would get a lower rate than yourselves?—Well, the Port Elizabeth rate is lower than the Cape Town rate; I fancy they get it.

247. *Mr. Wilmot.*] You mean, do you not, that the length of the railway is lower, not the rate per mile?—That is so. We are not allowed to ship round the coast.

248. By whom are you not allowed to ship round the coast?—By Mr. Price.

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249. *Mr. Graaff.*] When did your factory start?
—The acid works on the 30th of April, 1903.

250. Can you give us an approximate idea of the outlay on the construction of the works?—In round figures, it cost a million pounds, but that is only an approximate amount.

251. How many hands do you employ?—Just about 1,000 at present:

252. How many did you employ before?—At one time during the construction we employed 3,000.

253. But how many did you employ—the largest number I mean—since the completion of the construction? Are you employing the same number now since the completion was completed?—We have reduced gradually, letting the men off little by little.

254. What was the cause of that?—Our construction is completed, and for the amount of explosives we are able to dispose of, we do not think——

255. But what I mean is: are you employing the same number of hands now as when the works were finished?—Well, no. The construction was still going on in certain parts of the factory. We have not discharged them on account of depression of trade, our trade has been increasing. Up to the end of March, 1905, we had manufactured 200,649 cases of explosives.

256. Is that the total?—Yes, up to date.

257. What does that amount to per annum?—In the first month, well—we only got a licence to manufacture in the latter part of July, 1903, and we have increased greatly, but we turn out approximately about 125,000 cases per annum.

258. Is there much of that going to the Transvaal?—Yes.

259. Where is your principal market?—The Transvaal is our principal market.

260. And what duty have they in the Transvaal?—None. It goes in free. A duty was proposed, but it was never carried into effect; if it were

carried into effect it would, of course, be a blow to our industry.

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261. Does the dynamite they import into this country go in free?—No, it pays a duty of 6s. 3d. Apl. 10, 1905.

262. Can you compete with that fairly satisfactorily?—I do not think that hurts us seriously so far. Of course it enables Nobels to sell a certain amount, but we like a little competition. The injustice to us was to allow us to build a large factory and then to have the duty cut in two by the Bloemfontein Convention.

263. What was the duty before the Convention?—12s. 6d.

264. At what price can they import dynamite in comparison to yours?—Well, when you speak of dynamite you cover all grades. Take the grades we manufacture: there is Ligdyn. containing 30, 40, or 50 per cent. of nitro glycerine; Gelignite, which contains 60 per cent.; Gelatine Dynamite, containing 50 per cent.; and Blasting Gelatine, which contains from 90 to 93 per cent. of nitro glycerine. If you refer to the grade which is used most, it is Blasting Gelatine, which is the highest in price.

265. But what is the difference between the dynamite imported and that imported here?—In the Transvaal they pay about 3s. a case more for the imported.

266. Is that after paying the import duty of 6s. 3d.?—I think after paying duty they get about 3s. more. I think the idea was to preserve competition, and they allowed the English Company (Kynoch's) a little higher price. We get a little higher price than Modderfontein. They cut down their price to 52s. 6d., we are getting 47s., and the mines pay the railway carriage from the factory.

267. How does the quality compare with the imported?—Just the same.

268. Do you manufacture dynamite only?—Only explosives, though we sell a little nitrate of soda to the farmers.

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269. *Chairman.*] That you regain?—It is some we regain by washing the sacks.

270. *Mr. Graaff.*] What is the duty into the Colony?—6s. 3d.

271. And do you think this protection is sufficient for your purposes?—I would like to see it raised provided there is not too much risk in it, but if it is going to lead to a reprisal on the part of the Transvaal I should not like to see it.

272. Do you know what protection they have in America?—I think it is about the same

273. And is labour cheaper here than in America?—It is cheaper in America, that is, considering its effectiveness. In California, for instance, they use Chinese labour, which is the best for their purpose.

274. What do you employ?—We employ white and coloured; girls in the Cartridge Houses, native boys and a certain number of Cape Boys, and of course white men.

275. What is the duty on the raw material for your manufacture?—The duty on the chief raw materials was taken off, but they left a duty on two or three small things. I think they get even these in somehow free at Modderfontein. We pay duty on lining paper, cartridge paper, wrapping paper, twine, parchment paper, and nails.

276. And what duty do you pay on these articles?—Well, for 100 tons of dynamite we pay:—

On wrapping paper, 12s. 6d; on twine, 6s. 4d.; on lining paper, £2 1s. 7d.; on nails, 7s. 3d.; on parchment paper, £7. On cotton waste, sulphur, glycerine, nitrate of soda and boxes in the form of shooks we pay no duty, but the above rates were arranged by the Bloemfontein Conference.

277. You think you have sufficient protection, then?—I should like a higher duty provided there is no reprisal on the part of the Transvaal Government; I should not like to see that made a bone of contention between the two Colonies. If it is not

going to hurt the susceptibilities of any other colony then I should like it, as it seems unfair for the duty to be cut in half after we had started.

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278. *Mr. Rogers.*] At the present prices you are getting for dynamite you are making a reasonable profit?—We are losing money in the Transvaal. Mr. Hoskin, representing the Modderfontein factory, informed our Chairman that we would lose £200,000 this year, but that is wrong. Though we are not making any profit there we are making a profit in other parts. At the present time I could not say positively what our profits would be, but I think we shall be a little out on the year.

279. *Mr. Wilmot.*] What mutual arrangement between the Transvaal and this Colony with regard to Customs duty would enable you to carry on your business satisfactorily?—Any duty placed on us which the Modderfontein people would not have to pay would handicap us. To protect us against European competition we should have at least the present duty.

280. So you want to be free in the Transvaal?—Yes.

281. And what should be the duty here?—I suggest 10s. on imported dynamite. But we can carry on our business at the present duty.

Wednesday, 12th April, 1905.

PRESENT:

DR. PETERSEN (Chairman).

Mr. Wilmot.
Mr. Ross.

| Col. Bayly, C.M.G.
Mr. Rogers.

Col Harris, C.M.G., M.L.A., examined.

282. *Chairman.*] You are connected with the de Beers Explosive Company at Somerset Strand, are you not?—Yes.

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Harris, C.M.G.
M.L.A.

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Col.
Harris, C.M.G.,
M.L.A.
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283. We have had the General Manager of the works, and he has given us certain information, but we should like you to make some suggestions to remedy the existing state of affairs as regards the Customs. I understand that you are handicapped : you have no duty on gun-cotton, and the duty has been reduced from 12s. 6d. to 6s. 3d., does it pay you to produce the stuff ?—It does not pay us to make dynamite in Cape Colony. The De Beers Company have provided a capital of £1,300,000, and I doubt very much if we shall ever get any interest on the capital invested. When we started building there was an import duty of 12s. 6d. a case, but the last Convention reduced the duty from 12s. 6d. to 6s. 3d., and that, of course, has had a very bad effect upon our prospects. Then again, before the last Convention, the railway carried the glycerine at 7s. 8d. per 100 lbs., from East London to Johannesburg, and now they carry it at the Rough Goods rate of 4s. 5d., and that is another obstacle placed in the way of Colonial Industries. The only way to remedy it would be to alter the rates, and that could only be done by the contracting States to the Convention.

284. If the rates were altered, would that enable you to do business down here ?—If they increased the rates upon the ingredients for making dynamite it would help us, but it would not help us unless Natal and Delagoa Bay increased their rates in proportion. I do not think we can get much benefit from State intervention, because there are so many divergent interests.

285. You have no duty now on gun-cotton then ?—I am not quite sure.

286. Have you any suggestion to make as regards the Convention ? Could not they re-impose the duty of 12s. 6d. ?—That would only help us as far as this Colony is concerned, because they manufacture dynamite in the Transvaal, and as that dynamite can compete with our dynamite at the present time at 6s. 3d. a case, it would be able to compete in the same way if it were 12s. 6d. I do not approve of these high import duties, because it

is all very well for the people who make dynamite, but the user would have to pay much more.

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Harris, C.M.G.,
M.L.A.

287. Is there much dynamite imported from abroad?—Not much now. The Trust, which are practically the only manufacturers of dynamite in Europe, send some. Before we started the De Beers factory we imported dynamite from them, but we have now got that business into our own hands, and it is large enough to keep our factory going. In any case it has been a good thing for Somerset West, and has been the means of employing a large number of hands, although I am afraid we shall not have much benefit.

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288. *Col. Bayly.*] Is the quality of your dynamite as good as that of Nobels?—Quite as good; in fact experiments have taken place in Johannesburg and they have admitted that our explosives are superior. Of course, if the Colony could consume as much dynamite as we could make, and if the 6s. 3d. were put on, it would give a great impetus to our business, but the supply would exceed the demand.

289. Do Nobels import any dynamite into this Colony?—I think so, but not so much as formerly. You could get that information from the Inspector of Explosives.

290. How is it that Nobels can make it pay with the 6s. 3d. duty?—Well, they make it in England, and labour is much cheaper there. They could build a factory for £300,000 or £400,000 which would cost us a million here.

291. *Mr. Rogers.*] What profits are you making now under the present arrangements?—On the whole, I do not think we are making a profit at all; in fact, I think there is a loss.

292. Could you make a profit if the duty was 12s. 6d.?—Yes, if the 12s. 6d. were re-imposed and we could sell a sufficient quantity at the increased price, because a foreign country could not compete if the 12s. 6d. were re-imposed.

293. *Col. Bayly.*] Nobels manufacture in Germany?—Yes, and I think they also have works in Scotland.

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M.L.A.

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294. *Chairman.*] Have you any further suggestions to make?—I think if you re-imposed the original duty it would do the manufacturer a lot of good.

295. You could not suggest how it could be achieved?—The only way would be by the majority of the States agreeing to it.

296. If they refused?—I should let it remain as it is.

297. If the duty were re-imposed, would that help you?—We could sell dynamite in the Cape Colony, and there it would benefit us if the 12s. 6d. a case were re-imposed, but the consumption is very small. Conscientiously, I am not in favour of these high import duties, even if I derive benefit myself from them.

Friday, 14th April, 1905.

PRESENT :

DR. PETERSEN (Chairman).

Col. Bayly, C.M.G.		Mr. Wilmot.
Mr. Rogers.		Mr. Pyott.
Mr. Ross.		Mr. Graaff.

Mr. Thomas Herbert Pegram, examined.

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298. *Chairman.*] I understand you manufacture large quantities of soda water, lemonade and cordials?—We manufacture aerated waters, but not cordials.

299. Do you suffer through competition from abroad?—Yes, a great deal.

300. Can you make us a statement?—Yes. I am Managing Director of Wordon and Pegram, Ltd., and largely interested in the Vasco Natural Mineral Water Company, Ltd. The former firm employ about 70 hands, taking the year through.

301. What is your wages sheet, approximately?—About £120 per week. There are about twenty other Aerated Water Manufacturers in the Cape Peninsula, so that in this district alone you might

estimate the number of people employed in our trade at a thousand. I mean by that the families, and not necessarily the actual people employed.

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302. But we should like to know the number of hands employed?—About 400 to 500 at the very lowest. If you take the whole of the Colony, a very large number of people subsist through the industry. Take for instance, the up-country towns like Stellenbosch, Paarl, Wellington, Somerset West, Caledon, Worcester, Matjesfontein, Victoria West and Cradock; they all have a factory, and larger towns of course have several factories. I just mention this to show that the trade is a little more important than the average person thinks. It is quite surprising to calculate the number of hands employed now as compared with ten years ago. Owing to the present depression the position of the aerated water trade has been worse than during the last fifteen years.

303. Do they import very much at present?—Yes. At present I should say that the quantity is quite double to what it was seven or eight years ago. During the war it was very much larger.

304. To what is that due?—In a great measure to people's fads and fancies, and fashion.

305. Is it not due to the lowering of the tariff rate?—No. The Transvaal used to charge 3d. per bottle on imported stuff. Some years ago there might have been some justification in importing an aerated water, as ten or twelve years ago it was impossible to get a first-class article, but now they manufacture from splendid springs, and it seems to me to be the fashion for people to call for the imported article. In clubs and hotels it is supposed to be the correct thing to call for Schweppes or Apollinaris, especially with the younger people who have just made a trip to Europe and back again. From the point of view of quality there is no need for it, for in Vasco and Van Riebeeck and Club Soda there is a very high standard of water, which has been analysed by Dr. Hahn and Dr. Marloth, and qualified by them to be equal to the

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best imported, and speaking from my own knowledge, they are far better—they must be, because they are fresher, and have not been in bottle a year or two. Owing to the depression, the trade is very bad, and the consequence is that there has been a large reduction of wages and fewer hands employed. Part of this could be obviated if such enormous quantities of foreign waters were not consumed here, and I put the demand for foreign waters down to personal fancy and fad, and if people have this fancy they should pay for it.

306. Can you suggest a remedy?—Well, on the ingredients we have to pay a heavy duty; on the materials for making gas there is a duty of 10%, on essential oils, extracts and essences we pay 25%, while should the manufacturer desire to make his own extract of ginger ale he would have to pay 2d. per lb. on the root ginger. The greatest hardship of all is the duty on sugar, which is 5s. per 100 lbs. Some years ago the jam makers were allowed to import their sugar in Bond and were freed from this tax. The present Trade Conference are very sore on this point; they think they should be allowed a rebate on the sugar they use for sweetened drinks. If it is impossible to reduce these taxes, I would ask for a considerably heavier duty to be placed on imported aerated waters. By doing this it would cause a greater demand for the Colonial waters, and consequently give employment to a larger number of hands, or at least retain those already employed in their present situations. It is not as if people could not obtain a really high-class article here, and that at a price not charged for imported waters. As the imported article is essentially an article of luxury it should not be allowed to come here at a low rate of duty.

307. What duty would you recommend?—We should like to see a duty similar to that prevailing in the Transvaal, viz., 3d. per bottle.

308. How would that work out?—At 3d. per bottle people would have to charge 1s. 3d. for a

large Schweppes instead of 1s. or they would not find it to their advantage to sell it at all. They would find it to their advantage to push the Colonial article, and if people had to pay more they would exercise more judgment.

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309. *Mr. Wilmot.*] Then you would have a monopoly?—There is too much competition for that. There are 23 manufacturers in the Cape District alone, and there are many hundreds spread throughout the Colony. I can submit analyses and samples in order to prove what I say, viz., that it is possible to make waters of equal quality or even better than the imported. This has only been possible during the last two or three years, it was not so before.

310. *Chairman.*] They say the ginger ale here is of a very inferior quality. Is that so?—It is simply a matter of public taste. Ginger ale, or any drink, can be flavoured to any taste or to any degree of sweetness so long as pure materials are used. We often make a similar article to the imported ginger ale for customers who prefer it—it is only a matter of taste.

311. *Mr. Wilmot.*] In the opinion of impartial persons, can you prove to us that you can make soda water as good as the imported Schweppes?—Yes, we can submit samples taken from our ordinary stock for comparison with Schweppes, and the judge, without knowing which was which, could not tell the difference.

312. But in the opinion of impartial persons, can you show us that your ginger ale is as good as the imported Belfast ginger ale?—We make all qualities. One is a very low price and is not of the same flavour as the imported article; but the other one, the essences for which we ourselves have to specially distil, there is less demand for. We call that the Club Ginger Ale, and it is quite as good as any imported—in fact, we know it is better, it has not so many chemicals in it. If we were to tell any chemist exactly what we use and what was in the other, he would know at once

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which was the better. There are many ingredients used in the imported which we do not use.

313. The Stone ginger beer which is made in London, for instance, is cheap and good; can you show impartially that your ginger beer is as good as any imported?—Well, you must allow for the difference in the climate.

[At this stage Dr. Petersen left the meeting, and the chair was taken by *Mr. Wilmot*.]

314. *Acting Chairman*.] Perhaps you could refer us to some referee?—Oh, yes.

315. If the duty was taken off, or a rebate allowed on, the raw material would that answer your purpose?—Yes, say on sugar, for instance.

316. *Mr. Pyott*.] What is the duty on imported aerated waters?—10 per cent., but $7\frac{1}{2}$ per cent. on English.

317. Can you tell us the cost of Schweppe's in London?—I am not aware of the cost of that; probably about 2s. a dozen.

318. And you pay $7\frac{1}{2}$ per cent. on that? That is very infinitesimal?—Yes.

319. You say you want practically 3d. a bottle duty?—I suggested that because the Transvaal fixed it at that in the old days.

320. But would you not suggest something more reasonable to begin with, because it means about 125 per cent.?—Well, we must ask as much as we want; we go on the principle of "if we don't ask we shan't get."

321. *Mr. Graaff*.] Is there a large capital sunk in machinery in the Cape Peninsula?—Well, taking plant generally, buildings and rolling stock, three manufacturers alone have £120,000 between them. That is only three of the twenty-three, so there must be a large amount of capital invested.

322. Can you turn out Soda Water generally as good as Schweppes?—Yes; we say we can. We have had Dr. Marloth to analyse it, and we have worked for some years to get a good article, and we consider it better and fresher than the imported.

323. Has it the same retaining quality as Schweppes?—It keeps as well. We have had

sample bottles of Seltzer Water and Soda Water put away for two a half years, and when they were opened they have been good. It all depends upon the quality of the water and a good cork.

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324. Which would you prefer: an increased duty, or a rebate on the ingredients?—Well, as inhabitants of the country, we must pay our share of the cost of the Government, and we prefer to see an increased duty on the imported articles, but if we could get both we naturally should be very pleased to have them.

325. What is the consumption of Aerated Waters manufactured locally in comparison with the imported?—I cannot give you the figures, but from my own knowledge and from what I hear, people generally prefer Schweppes or Apollinaris, although Van Riebeeck Water and Vasco are very good, but people have that fancy—and Colonial people too; they think it is quite the correct thing to have Schweppes or Apollinaris.

326. How do the prices of the Colonial Aerated Waters compare with the imported?—The imported command the higher price.

327. To what extent?—Nearly double.

328. And yet people pay nearly double and prefer the imported to the Colonial Aerated Waters?—Yes.

329. Do you not think they are charging too high a price for some of the Colonial Waters, and that if the price were reduced they could sell more?—Well, the manufacturers supply them at a very low price to the middleman. The middleman generally has a very high expense, and although his gross profit is very high, his net profit after taking his general expenses into account is not so much, and he has to recoup himself by having a high price.

330. Do you import your bottles?—Yes, we have to owing to their not being able to make them here.

331. What duty do you pay on them?— $2\frac{1}{2}\%$ on the empty bottles.

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332. *Acting-Chairman.*] Do you pay $7\frac{1}{2}\%$ on the bottles containing imported Aerated Waters?—No, they come in free.

333. *Mr. Graaff.*] Is the consumption of Colonial Aerated Waters increasing or at a standstill?—The Van Riebeeck seem to be doing better than they were, but still they complain the same as we do that people will ask for the imported article, and we say there is no necessity for that. If they could not get a high-class article here then we should have no grievance.

334. I have been told that the Colonial Soda Water goes flat after being kept for a while?—It all depends upon the bottle; for instance, a ball-stoppered bottle has a rubber ring, and the longer the water is kept in that bottle the more taste of the rubber ring will the water take up owing to the presence of the carbonic acid in the water, and if you kept it for a few months, it would become stinking. This applies also to any imported water filled in ball-stoppered bottles. High-class waters are only bottled in cork bottles; this would refer locally to Van Riebeeck, Vasco and Club Soda. These waters would keep for quite as long a time as any imported water.

335. What is the reason they are used?—For cheapness, but we use the best bottles and the best corks, and if you kept it for a year or two, it would be quite as good.

336. Then you can turn out quite as good an article as the imported?—I am absolutely positive.

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337. *Acting Chairman.*] Will you kindly state your views to this Committee, whose object I believe you are aware of?—I may say that I am interested in various industrial establishments in King William's Town, particularly candles, soap, chicory and match making, and also in the manufacture of chicory.

338. Is chicory grown there?—Yes. I am also interested in brickmaking, potteryware, etc. I have carried on these industries for about 19 years. Apart from that, I have been asked by the manufacturers of King William's Town to represent them in their interests, a considerable number of industries being there, particularly wagon-making, milling, tanning, saddlery, wool-washing, etc. The manufacturers had a meeting the other day, and nineteen industries were represented, but before proceeding to detail their particular grievances I wish to make a few general remarks regarding our present Customs Tariff and the way it affects Colonial manufacturers. It is to be regretted that apparently no fixed principles were laid down on which the tariff was drawn up, and the result is that, in many cases, it actually places the local manufacturer in a worse position than his oversea competitor. Instances showing this most plainly I will give you. They are of opinion that it is essential that, when passing a new tariff, due consideration should be given to existing local industries, and the principle should be laid down that raw materials not obtainable in the country should be admitted free, that in respect to half-manufactured articles the duty should increase with the amount of labour expended on same, and that the finished article should be protected by a higher duty. It also appears that the present tariff is, in many instances, so badly or ambiguously worded that it has an effect which is in direct opposition to its spirit. As an example, which affects all industries, they mention Clause 63 which provides for the admission under the $2\frac{1}{2}\%$ duty (or free if of British origin) of machinery to be driven by electric, hydraulic or steam power. They presume that the original intention was to tax household machinery, typewriters, sewing machines and the like, while admitting free of duty (or at the $2\frac{1}{2}\%$ rate) machinery for manufacturing and industrial purposes. As the

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clause stands, however, every machine has to pay the ordinary duty if it is to be driven by hand-power, even if it can only be used in a big factory. The small manufacturer who drives part of his machinery by hand-power is thus placed at a considerable disadvantage as against the large manufacturer who uses steam as the motive power for the same machine. Coming now to the various industries I am representing ("The Border Manufacturers' Association") they report as follows:

(1) AERATED WATERS: The present tariff places a duty of 2d. per lb. on raw Ginger Root, which is equal to 30 to 50% of the value. The article is not being produced in this country and large quantities are being used by the aerated water manufacturers. The same applies to flavouring essences, which are subject to 25% duty. (2) CANDLES: The chief grievance of the candle industry is the present unsatisfactory duty on imported candles. Whereas the duty used to be 2d. per lb., to which level it had been gradually brought down from 3d. per lb., the last Customs Convention fixed it 10% (or $7\frac{1}{2}\%$) *ad valorem*, this being equal to about $\frac{1}{4}$ d. per lb. This sudden reduction by $1\frac{3}{4}$ d. spelt ruin to the industry, and, as a matter of fact, two works had to close down at once, while the other factories—who are in a better financial position—are simply carrying on the business in the hope of getting some redress at an early date. The present duty is utterly insufficient to protect the industry against oversea competition, and makes it absolutely unprofitable. Another point they wish to mention in connection with the candle industry is clause 95 of the Customs Tariff, which provides for candle-wick being admitted free of duty if "unmanufactured." This is clearly a contradiction in itself, as candle-wick cannot be other than manufactured. As the clause stands at present, duty has to be paid on all wick imported by candle manufacturers, which is evidently not in accordance with its spirit. They also mention that the local factory make their own cardboard

boxes. The materials used for this purpose are cardboard and stitching wire, both of which are liable to duty if imported by *them*, but free if imported by bookbinders under clause 86. (3) CONFECTIONERY: The duty on imported confectionery under the present tariff is 2d. per lb.; against this the following duties are levied on raw materials:—Sugar, not refined, 3s. 6d. per 100 lbs.; refined, 5s. per 100 lbs.; Natal sugar, free. Under refined sugar is classed Beetroot, Cuba, Continental, States, Dutch crushed, Austrian from Germany—principally all sorts of sugars which are imported. Natal sugars are not being used here, because they are always about 2s. to 3s. per 100 lbs. dearer than Mauritius, so local manufacturers reap no benefit by its being admitted free. They suggest: (a) That the duty on sugars be reduced all round for manufacturing purposes; or (b) that refined sugar be brought down to 3s. 6d. per 100 lbs.; then in the case of short supply or high prices owing to a corner in Mauritius sugar, as at present, confectioners would not be restricted as to their market for buying sugar, but could use any imported sugar. Large quantities of essences and extracts of all kinds, oil, aniseed, carraway, cloves, lemon, etc., are being used in the trade, and as the duty is 25% they are very expensive items to confectioners. This duty is excessive, and should be reduced considerably. On almonds, carraway, cassia, cinnamon, cloves, ginger, cocoanut (dessicated, unsweetened), the duty is 2d. per lb. These lines should be reduced, as under the present tariff sugared almonds, sweetened cocoanut, etc., can be imported at the same rate, and confectioners have to pay 2d. per lb. on the raw material before making it up into confections. Large quantities of gelatine, glucose, isinglass, tartaric acid, cream of tartar, paper bags are also used, and a small reduction from the present duty of 10% would be of great benefit. The only two articles confectioners are getting through free of duty under the present

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tariff are bottles, jars and boxes. (4) MATTRESSES : The duty on the raw material (wire, wood, etc.), is exactly the same as on the finished article, so there is absolutely no protection for this industry. A wire mattress factory has been started at King William's Town. (5) MILLING : The local millers propose the following as a basis for protecting the milling industry:—First, that the imported manufactured article of whatever nature, be subjected to the highest possible duty ; second, that the *grain*, or unmanufactured article, come in at the lowest possible duty. In the present Customs Tariff there are various points which are adversely affecting the milling trade, particularly the small custom mills. Clause 15 distinguishes between (a) barley, maize, millets, oats, etc., etc., *in the grain* ; (b) the same crushed, flaked, ground, hulled, malted, etc. (c) flour, wheaten, or wheaten meal, including pollard. The same duty (1s.) is in force for (a) and (b), while (c) is subject to the higher rate (2s.). They maintain that (b) should pay the same rate of duty as (c), because the articles comprised under (b) are manufactured, as against (a) which is the grain in its raw state. Under the old Customs Tariff the difference between the unmanufactured and the manufactured article was 2s. 6d. per 100 lbs., while under the present Tariff it is only 1s. per 100 lbs. The old Tariff imposed on corn and grain was 2s. per 100 lbs., and on flour and meal, 4s. 6d. per 100 lbs ; the present rates are : corn and grain, 1s. per 100 lbs., flour and meal 2s. per 100 lbs. This leaves only a small margin for the millers, and, as a matter of fact the local customs mills, of which there are five, had hardly anything to do since nearly twelve months, and since the last four or five months four of them are practically idle. Not sufficient wheat is being grown in this district, and local merchants are able to import meal 1s. to 1s 6d. per bag cheaper than it would cost them to import wheat and have it ground locally. Unless an alteration is made in

the Customs Tariff all the custom mills of this Colony will have to close down, which is not only a heavy loss to the owners of such mills, but also to the country at large. (6) PRINTING. For the further development and protection of the Printing and Account Book Trades it is essential that the present Customs Tariff should be considerably revised, in order to enable employers in this country to compete with the cheaper labour of Europe and America. It was originally intended that all kinds of material for printers should be admitted duty free, but owing to a badly worded tariff, duty has to be paid on many kinds of papers, etc., which have to be printed on, or labour expended on, before they can be sold to consumers. It is suggested that Clause 95 of the Tariff should read (under heading "Free") :—" Paper of all kinds for use of *bona fide* printers and lithographers, in the production of all kinds of books (including account books), newspapers, magazines, pamphlets, circulars, or forms. This to embrace every quality, which is not to be sold in a plain or unprinted or unruled state, cards, including plain, incompleated lithographed memorial or Christmas cards." A duty of at least 33% *ad valorem* should be placed on all stationery which is printed or lithographed, printed matter of every kind, except newspapers, periodicals or books, (reading or educational) and music. The term "printed matter" to include pamphlets, circulars, printed forms, posters, memorandum forms, account forms or account books, invoices, letter papers, notepapers, trade cards, delivery notes, labels, or any other printed forms, loose or in book form. It is a fact that the wording of the present tariff allows merchants to import printed stationery as "printed matter," thus robbing the Customs of dues, and printers of the work they might produce. (7) SADDLERY: The only articles used in this industry which is at present being admitted free are saddle-trees, all other materials 'paying the same duty as the finished article. It is sug-

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gested that the duty on harness, saddles, bridles, etc., be 33% *ad valorem*; leather, with the exceptions mentioned in clause 115 of the Customs Tariff, 15%; saddle-trees, buckles and all metal parts, free. (8). SOAP: Duty has at present to be paid on certain classes of vegetable oils, which cannot be replaced on any other material, these being principally cocoanut oil, palm oil and palm-kernel oil. Neither of these oils will ever be produced in this country (for climatic reasons). They should therefore be admitted free of duty. (9). TAILORING: Raw materials are subject to the same duty as ready-made clothing. Large orders are always being sent to England to be made up from measures sent from here. This would be done away with and the wages spent in this country if different duties were levied on raw materials and the finished article. (10). WAGGONS: This is one of the most important and extensive industries of this country. Complaints are made in many cases of the keen competition from oversea, particularly America, and it is suggested that the present Tariff be altered as follows:—Waggons, including wheelbarrows and store trucks, finished wheels and other finished parts, 25%; spokes, naves, felloes in the rough, 12½% (as at present); unmanufactured wood, boards, planks, deals free. (11) WOODWORKING: Raw material and the finished article are at present subject to the same duty, making the manufacture of building material unprofitable. The following scale of duties is suggested: raw material, timber in logs from 3 by 9 upwards, free; timber, smaller, cut-up, 5%; timber, planed, tongued, or grooved, 10%; moulding, skirting, etc., 15%; doors, windows, sashes, furniture and parts of furniture ready-made, turned or sawn, 25%. In addition, I may say that in our part of the country, King William's Town and East London especially, there is a considerable amount of labour obtainable which, largely in consequence of the unstable nature of the industries in this country, is not

being properly developed, i.e., the labour is obtainable in sufficient quantity, but there is not sufficient work offering, and the consequence is that only temporary work can be given to them; the manufacturer being unable to compete successfully with the people at Home.

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339. *Acting Chairman.*] Do you take apprentices? —It is impossible to get them. I have tried that with my Soap Factory; the parents have asked me what they were going to do when they left their apprenticeship, and it is pretty well the case with most of the industrial occupations in this country—you cannot offer inducements to those who want to learn a trade. A good many would otherwise go in for such occupations, but refuse to have anything to do with it, and therefore, ultimately, the only men who are obtainable in this country, for many industries, are to be found in the ranks of those who cannot get anything else to do, and are perhaps broken and possibly glad to take anything. So you can imagine the class of labour is not a very satisfactory one. The cost of labour in our part of the country is rather moderate. I do not take the present time, but usually it would be about 35s. to 50s. a week for white people.

340. *Mr. Pyott.*] Are you speaking of skilled tradesmen?—Those at 50s. would be fairly skilled, that is, people who have been employed in various trades, termed handy men. Skilled tradesmen are a different thing, of course. I have a skilled workman at £26 a month, so you could not lay that down as a principle or as a guidance. In consequence of the facts I have stated, skilled labour is paid quite out of proportion to its worth, that is, if a man seeks employment in a trade which is not represented in the country, he cannot get it; on the other hand, if you try to get a man for certain trades not represented in this country you cannot get this man, and, consequently, you have to pay very high wages when you want him. Native labourers, who are generally not skilled, constantly change their abode and want a holiday every now

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and again. In this class of labour you can often get the half-skilled, and after a few years' occupation they get a certain amount of knowledge. Their wages average from 12s. to 16s. a week.

341. Are you speaking of the Eastern District?—Chiefly of King William's Town. The circumstances in East London would be different; there, I think, the wages are higher; I believe they would range from 16s. to 25s. for natives. We are in the midst of a native population and therefore have an advantage. Fuel is cheap in the Eastern Provinces—wood and coal. The latter we get from Indwe, and we can also get Natal coal at cheap rates.

342. What price do you pay at King William's Town for Indwe coal?—Steam coal is about 27s. laid down there. Natal steam coal costs 34s. 6d. in King William's Town, *i.e.*, at about the rate of 29s. in East London. A steady employment of white labour is required to enable the manufacturer to obtain skilled labour at a fair rate, which is now impossible, and to make good products. I should like to say also that in King William's Town, with labour at 1s. 6d. per day for natives employed in the factories there, it is impossible to produce matches as cheaply as they can produce in Natal with Indian labour, which shows that Indian labour is more developed. The Kafir is as strong or perhaps stronger, but he is not accustomed to it.

343. Is he not a good pupil?—Oh yes, I think a Kafir makes a good labourer in some time, but he is not so intelligent and careful in his work.

344. He is more suitable for heavy labour?—Yes, he is not so smart with his hands, though I think that could be developed with constant occupation, which is impossible at the present time, because we have not the constant occupation to offer him just now. The wages seem extremely low, but they are high in proportion to the skilled labour done. I believe that the raw population of this country would be changed if more industrial occupation

were offered to them. Another important matter is this: it would undoubtedly develop the raw materials in existence here. As you know, the supply of raw materials is entirely undeveloped. It has been shown, for instance, with regard to soap making, that in consequence of the demand for Colonial tallow the supply has increased, although the actual supply of tallow is smaller than it was in former times, naturally, on account of the importation of frozen meat, but in spite of that there is more tallow obtainable than before. I think that is accounted for by the fact that formerly it was thrown away and now it is saved and converted into money; and I think it would be found, by fostering the production of raw materials or developing a latent supply, that a demand would spring up in raw materials; say, for instance, Oils. I think a supply would be forthcoming if a demand were created.

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Monday, 17th April, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Wilmot.

Mr. Rogers.

Mr. Pyott.

Mr. Graaff.

Mr. John King, examined.

345. *Chairman.*] You expressed a wish to come to give evidence before this Commission, did you not? — Yes.

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346. Well, we went into the whole matter last Session, but should like to hear your views: can you make a statement?—I have not prepared anything, but I can give you my ideas on the matter.

347. Have you suffered through the lowering of the Customs tariff?—Well, I like to be honest and straightforward: we have not. However, after all

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said and done, the $2\frac{1}{2}\%$ —we do not lose by it ; but where we lose is by such an amount of goods brought into the country which might be manufactured here. I am in favour of a wheel tax—say so much on each wheel of each vehicle imported here.

348. Would it help you if the Customs Tariff were raised?—It would help us. We want protection, and a strong protection too. We have men to make good work, and we can beat the English and American goods. We have the material also.

349. *Mr. Wilmot.*] You must not expect too much?—We demand that the trade should remain in the country, and that we should make legislation to keep it so. We have any amount of goods in this country which are imported, and could be made here.

350. Is there much “dumping” done here?—It is the “dumping” ground of the whole world. Of course there was a time when we could not do these things, but coachbuilding has risen so considerably during the last ten years that we can beat the foreign people.

351. But is not it the case that their freight is very heavy?—From the enquiries I have made, especially the American trade is run on such a large scale—supposing they get an order for 500 vehicles they put on 700.

352. But is it not a bulky article for freight?—(No answer).

353. Is there, or is there not, a heavy freight in consequence of the bulk of the article compared with the weight of it?—I do not think so.

354. How much do you think you should have in the way of protective duty?—I think about £20 on a four-wheeler. You see, they make this a dumping ground for all their surplus stock.

355. Considering the heavy freight and other disadvantages which they have, do not you think you want a lot?—But then they have other advantages. Take timber, which we can get cheaper from America than from Knysna.

356. Then it is a sort of bastard trade in this country?—No; it costs more to land timber from Knysna here than from America.

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357. *Chairman.*] You would encourage the wood industry?—By all means.

358. *Mr. Wilmot.*] On what other articles would you have charges?—About £10 on a two-wheeler.

359. And what others?—Well, I think all timber from America should be taxed, both manufactured and unmanufactured.

360. How much on unmanufactured?—I should say on planks, 20%.

361. And on the manufactured?—Also 20%.

362. Would not you make a difference between the two—should not the manufactured be higher than the unmanufactured?—Well, the difference of freight comes so much heavier on the manufactured.

363. *Mr. Rogers.*] Do you use much Colonial wood in your business?—We do.

364. What kind do you use generally?—Stinkwood. Assegai, Pear—in fact all kinds of Colonial woods.

365. And is that wood as good as the imported?—Better.

366. And yet you find the imported wood cheaper?—It is the great cost of handling the wood from Knysna. The Knysna timber is better, and I do not think the forests could be exhausted in a hundred years, but they want better facilities for getting it down.

367. Then it is a question of cheap transport?—Yes; transport and sea-freight from Knysna.

368. *Mr. Graaff.*] What is the difference in the price between the imported timber and the Colonial?—I could land a Felloe 2d. cheaper from America than from Knysna.

369. Which would suit you better—to have an increased duty on the manufactured article: or, to have a lower rate on the raw material?—We should like both. If you reduce the rate on the raw material we should have much more work to do.

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370. Take an American vehicle—say a “Spider”—what would be the difference in price between the landed cost here and what you could make if for?—They can land it £10 cheaper than we can make it for.

371. How does the quality of the imported vehicle compare with the Colonial-made one?—Well, I would not like to say anything about it: some people think it is all right and some do not. My idea is that American goods are made for a cheap market and do not last long.

372. Is not your Colonial-made carriage worth the difference of £10?—It is so, it is worth quite as much as the American, but, unfortunately, people have a prejudice and would like to go to other places for their goods. Take waggons and Municipal vehicles for instance; there is a certain prejudice against Colonial-made goods. The Municipalities will send to England or America for them, when we can build them cheaper. They have engineers with certain ideas, and they think there is nothing good enough for them here. For instance, take a Municipality not many miles from here: I booked an order from them for two street-watering vans; I was unfortunately a week or two over the time specified; I asked for an extension of two weeks; they cancelled the order and cabled to England; and yet, when I showed those vehicles at the Rosebank Show they bought the same vehicles from me.

373. What is the prejudice—is not the Colonial vehicle strong enough?—Well, as far as Municipalities go, they are run by engineers imported from England, and those engineers think anything made in this Colony is not good enough.

374. But are your Colonial-made vehicles as good?—Certainly.

375. And are they cheaper?—Yes.

376. And yet they prefer the imported ones?—Yes, they do.

377. Does it apply in all places in South Africa?—No, in Johannesburg and places in the Transvaal

like Johannesburg and Pretoria, the carriage is so much heavier for the imported vehicles, and we can send them cheaper from here. We get nothing to do down here. There is another question worth considering, and that is the labour question. You will find that the carriage and waggon builders are paying the lowest wages ever known in this country. The makers cannot get their proper price for their vehicles and therefore the tradesmen are suffering. Carpenters should get from 12s. to 15s. a day—in our trade a carpenter is a good man who gets 10s. a day, because we cannot afford to pay him more. The result is that this trade has drifted from the whites to the blacks. Practically the majority of tradesmen in the waggon trade are blacks at present—we cannot get decent white boys to be apprentices.

378. How do you account for that?—The rate of wage he would have when he is out of his time is not sufficient, and he would rather learn the Carpenter's trade. In our trade the men are handicapped—the fact speaks for itself, because we do not get enough out of our goods.

379. If there were a larger protection would there be a larger turn-out and better wages?—Yes.

380. Has your business suffered much of late?—Well, in bad times we suffer. It is only when large orders come on that we do anything.

381. Do you do anything in imported articles?—No. To give you an idea of the turn-out, we employ about 200 men and about three days ago we sent away about thirty vehicles.

382. *Mr. Wilmot.*] Well, you are doing a good business in spite of the want of protection?—These were for the German Government.

383. *Mr. Graaff.*] Is America sending Cape-carts out here?—They tried to, but I do not think that affects us, although they manufacture them at a cheaper cost.

384. Are they sending them out here cheaper?—They offer to land a cart here for £35 for which we could get £50.

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385. *Mr. Pyott.*] You say you employ about 200 hands?—Yes.

386. What is your wages bill a week?—I pay between £1,200 to £1,500 per month.

387. That is about £400 a week, nearly?—Yes. That does not include the office staff.

388. You say you are fairly busy owing to the German Government work?—Yes.

389. And if there had been no trouble in the German territory you would have been compelled to reduce your staff?—I was working with about fifty hands before.

390. When this increase of work came on did you have any difficulty in getting men?—Oh, no.

391. Is there more coloured labour coming into the market owing to your not being able to pay the wages?—Yes.

392. You want a duty of something like £20 on a four-wheeler—do not you think £5 a wheel is too much?—Well, we would rather have the whole loaf than half one. We should, by that means, keep the imported vehicle out; and the man who wanted a vehicle would not have to pay more for it as competition is so keen. The jealousy is so great that they cannot form a little Association amongst them—not to regulate prices, but for their mutual benefit.

393. There is a suggestion before me from the waggon-builders of King William's Town. They suggest something like 25 % duty on imported vehicles; now you suggest 100 %. Do not you think that whatever is suggested should be unanimous amongst the trade?—My idea of taxing is that so much a wheel should be charged, because a lot of cheap stuff is landed here. The man pays the same for a low-class vehicle as a high-class one.

[At this stage Dr. Petersen left the Meeting, and the Chair was taken by *Mr. Wilmot.*]

Mr. Franz Ginsberg, M.L.A., further examined.

394. Mr. Pyott.] I think in your previous evidence you mentioned chicory—do you manufacture it?—I mentioned it in connection with the developments of raw materials by having an industry.

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395. Are you still manufacturing chicory?—I am not exactly manufacturing it myself, I am interested in it; the manufacture of chicory has been carried on until the beginning of the drought about twelve months ago. Off and on the industry has been carried on for some time, in accordance with the seasons. In a rainy season chicory roots would be forthcoming and the industry could be worked.

396. I find that in Port Elizabeth the chicory trade has gone down, the price being insufficient for the farmer—is that so in your district?—It is not. The farmer is quite satisfied with the price offered to him apparently, but it is a question of dry seasons, which have a greater influence perhaps on the chicory crop than on any other crop.

397. Has the reduction in the Customs Duty tended to doing away with the chicory industry, do you think?—I do not think any alteration was made in the duty. Before the Customs Convention was passed, however, it was permitted to introduce into this country chicory roots, or any roots as substitutes for coffee, free of duty—or, I believe, at an *ad valorem* duty. Now, under the present tariff, these materials are charged at the same rate as the ready-made article, *i.e.*, 2d. per lb.

398. They cannot be introduced for planting then?—No, I mean the chicory roots which are an article of trade. They are sold in a dried state by the farmers at Home to the chicory factories, for the purpose of being worked up into the ready-made article.

399. Do you mean that when you cannot get chicory in this country you import it in the raw state?—Yes, and that gave the manufacturer a

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chance of working his industry ; but at the present time, if he has a dry season, he has absolutely to stop.

400. Should that go under a differential tariff ? —It is absolutely required to have chicory roots to carry on the industry in this country.

401. You say you are interested in brickmaking and pottery,—do you find any difficulty as regards those through the Customs Convention ?—No, but the profit might be improved by a cheaper Railway Tariff.

402. Can you tell me what kind of sugar is admitted at 3s. 6d. per lb. ?—I think the ordinary Mauritius sugar.

403. Is Mauritius sugar considered a finished article for the confectionery trade ?—I think the cane sugar would be considered as a raw material, and the cane sugar, which is already crystallised into a solid mass and then ground, would be considered as manufactured.

404. Can you tell us anything about milling ?—I think the Customs Tariff has been instrumental in ruining most of the smaller mills.

405. You think the protection is not sufficient ?—It is insufficient ; although in the case of milling. I may say that the millers have perhaps an advantage which no other industry has got in this country. The flour of this country is preferred to imported flour, while in all other goods the imported ones are preferred to the Colonial.

406. I do not quite agree with you ?—Well, that is my impression. I am not a miller, although representing one milling industry.

407. Crushed grain, you say, is allowed into this country at the same rate as wheat, or whole grain ?—Yes. I think it should not be so. It is a semi-manufactured article, and it should come under the rate as flour and meal.

408. Printing is suffering under great disadvantages, is it not ?—Yes, and it should certainly be remedied—I think it is a most important industry. We must have printing works, and nearly all these works can hardly manage to exist.

409. You mention saddle-trees; could they be manufactured in this country?—I think they could, but such a trade could be developed only when you get a real development in the saddlery trade. If you have enough duty on the ready-made material you could put a duty on the saddle-trees.

Mr.
F. Ginsberg,
M.L.A.
—
Apl. 17, 1905.

410. I suppose there are oils which cannot be produced here?—Palm oil and cotton oil.

411. What is the present duty on these?—It is *ad valorem*.

412. Would it not be folly to reduce that—you have a protection on soap?—Yes, we have; but, naturally, if you reduce the duties on oils it would cheapen the cost of the ready-made material without interfering with the industry.

413. But you are practically putting the farmers to a disadvantage; you can hardly legislate for palm oil alone?—Oh, yes, it is done in Australia, where they have a fairly high duty on tallow, and I think only 3d. per gallon on oils for manufacturing soap, while oils for other purposes have a fairly high duty. With regard to soap, I may say that it is a most difficult industry here. The prejudice in connection with soap is stronger than with anything else, and unless there is a considerable protection you cannot get the trade at all with soap.

414. You were speaking of apprentices and the difficulty you have in getting them to serve their time?—Well, there is no stability in the trade, and no inducement to offer as regards the future.

415. As a manufacturer, I suppose you want to see a fixity of tariff for some time to come?—Well, that of course depends upon the political conditions of the country, but it would certainly be a great advantage. I find that the tendency has been towards Free Trade, during the past fifteen years, in this country as far as legislation is concerned. As far as the public feeling is concerned it is decidedly in favour of Protection. My opinion is that nine-tenths of the inhabitants of this country favour Protection.

Mr. F. Ginsberg, M.L.A.,
Apl. 17, 1905.

416. Then you think that if we had a fixity of tariff for a term of years we could get apprentices?—Undoubtedly.

417. That would obviate the necessity of importing skilled labour, and for which you have to pay a high price?—Yes.

418. If you dispense with a man you are paying £26 a month could he get another situation?—He might get £10 or £12.

419. Are you in favour of the Minister of Agriculture being on the Industrial Board?—Well, we are bound to have a combination of agricultural and industrial interests. This country is absolutely differently situated to manufacturing countries proper, like England, where there is an antagonism between the agricultural and industrial interests. They produce for export and are naturally interested in getting their food as cheaply as possible, for the purpose of producing as cheaply as possible. In this country, it is to our interests to make common cause with the farmer. I consider that unless the manufacturer combines with the farmer he will not get protection, and, therefore, I think if the Minister for Agriculture would be chairman of that Board it would give the manufacturer more sympathy with the agriculturist.

420. But you must bear in mind that this Board is to advise the Government on matters in connection with the changes of duties. Now, as a manufacturer in a small way, I should say the Treasurer should be the Chairman?—I consider that any Treasurer of this country had always a strong leaning towards the commercial side.

421. But the Treasurer wants money?—It seems they do not want it, as they have been reducing the duties all round.

Wednesday, 19th April, 1905.

PRESENT.

DR. PETERSEN (Chairman).

Col. Bayly, C.M.G.		Mr. Hurndall.
Mr. Wilmot.		Mr. Pyott.
Mr. Rogers.		

Mrs. Liddell-Williams, examined.

422. *Chairman.*] You have expressed a wish to give this Committee some evidence as regards the manufacture of your Cape Chutney and Blatchang, etc.; can you give us a statement?—I have a factory at Observatory Road.

Mrs. Liddell-Williams.
—
Apl. 19, 1905.

423. Do you employ many people?—Not at present, but if I had the orders I could engage more.

424. Have you to compete with oversea manufactures?—Oh, yes, but I could do that successfully if the duty were sufficiently high on goods from oversea.

425. Where does the chutney come from?—Mostly from India. It is sent in bulk to England, and there they put it up and sell it at a low rate; by the time it reaches here it is sold for 2s. 6d. a bottle, while I can sell it for 2s.

426. Do you make your Chutney, etc., from Colonial fruits?—I make it from mangoes which come from Durban, and other Colonial fruits. It is perfectly pure—there is no adulteration.

427. But you say the imported article is higher in price than yours?—As a rule, but I have reduced my prices to suit the market. I have been told that my prices were too high to compete, so I had to reduce them accordingly.

428. Is your make as good as the imported article?—I consider it is. It can always be tested and compared.

429. So you think that if you have a higher duty you would be able to supply the whole market here?—Well, I could do a very large share of it.

Mrs. Liddell-
Williams.

Apl. 19, 1905.

430. *Mr. Wilmot.*] Would you increase your prices when you had the whole market?—No, I do not think I would, for if I had a larger demand I could buy in a wholesale way, and therefore much cheaper.

431. Is there any particular article you use in your manufacture that you think the duty should be taken off?—Sugar and vinegar; all the other things are Colonial.

432. But your principal wish is that the duty on imported chutney should be raised, is it not?—Yes.

433. What duty do you think would be sufficient?—A representative of the English firms told me that my 2s. bottle is equal to what they sell to merchants in England at 9s. 9d. per dozen. What the charge for freight and customs is I cannot say, but the chutney is sold here at 2s. 6d. a bottle.

434. *Chairman.*] You use imported vinegar?—Yes.

435. Why do you not use the Cape vinegar?—I had a rather unpleasant experience in that way. I bought some, and they sent me bad vinegar; it spoilt the whole brew, and I lost £28 over it.

436. Was that bought in Cape Town?—Yes.

437. Do you know if it was wine vinegar?—No, it was not. I think there was a mistake on the part of the manager of the firm from whom I bought it. It was manufactured vinegar—they called it “The Best Compounded Vinegar,” but it is almost impossible to get a good Cape vinegar. I have written to Montague and Worcester, etc., and they say they can only get it in small quantities, because the farmers cannot compete with the imported vinegar.

438. Do you consider the Cape vinegar better than the imported vinegar?—Yes, if it is properly made; the “Compounded Vinegar” is nothing but an acid.

439. *Mr. Hurndall.*] Are you selling at the present time at a lower price than that of the imported?—Yes.

440. Do you make a profit on that?—Of course; it would not be worth my while otherwise.

441. *Mr. Pyott.*] What is the duty on imported chutney?—I do not know.

442. Do you think that by increasing those duties you can make your industry into a large Colonial one?—I am quite sure I can, but of course I am only in a small way at present.

443. Where do you get your bottles?—The bottles have to be imported.

444. What kind do you use?—I use a special bottle, 10-ounce, round.

445. Could not that be made in this country?—I asked the Glen Cairn Company, and they said they could make them in a darker colour at a lower price than the imported ones if I deposited £5 for the cost of the mould, but their works have collapsed since then. Terra cotta could be used for the purpose.

446. So that by protecting your industry, another industry would be created?—Yes.

447. If you were protected, would you raise the price?—No. If I could get things wholesale, I could reduce the price of the small bottles, and employ more hands.

Friday, 5th May, 1905.

PRESENT:

Dr. PETERSEN (Chairman).

Mr. Wilmot.

Mr. Pyott.

Mr. Rogers.

Mr. Andries Bester, examined.

Mr.
A. Bester.
—
May 5, 1905.

448. *Chairman.*] You are in the firm of Messrs. Stephan Brothers, of Saldanha Bay?—Yes.

449. How long have you lived in the district of Saldanha Bay?—Thirty-four years.

450. What do you produce there?—Wheat, Barley, Rye and Oats.

451. Anything else?—We have the Fisheries.

452. Are you the principal buyer for Messrs. Stephan Brothers?—Yes.

453. What do you pay the farmers there for wheat?—This year we paid for first quality 14s. 6d. to 14s. 9d. per 200 lbs.; for barley, up to 5s. per 150 lbs.; and for oats, 5s. 6d. per 150 lbs. net.

454. And for rye?—11s. to 11s. 6d.

455. Does it pay the farmer to grow at that price?—None of the present prices pay them at present.

456. What was the duty on wheat before the Bloemfontein Convention came into force?—I think it was 2s. per 100 lbs. Now it is reduced to 1s.

457. Has it affected the farmer there?—Greatly.

458. In what respect?—If the duty had remained as it was we should be paying 15s. 6d. instead of 14s. 6d.

459. Do you produce much wheat down there?—Yes. This year we got in somewhere about 9,000 bags of wheat, about 31,000 bags of oats, 4,000 bags of rye, and about 3,000 bags of barley for our firm.

460. Could much more be produced in your district?—Yes, but the farmers are getting disgusted on account of the low prices, and they think of

going in for cattle. If the duty had remained the same they would have gone on producing more.

461. What can your district produce if they went in for more agriculture? You have very large farms which are not cultivated?—If the inducement was there for the farmer to sow more our part could produce more, but, as I said before, there is no inducement to the farmers at present.

462. What would you consider a fair duty?—I think 4s. a fair duty on 200 lbs. of wheat. I think oats should be protected as well; we can produce large quantities of oats.

463. *Mr. Pyott*] But you are protected in oats now, are you not?—Yes, but it is not sufficient.

464. What is it?—1s. per 100 lbs.

465. Before the Convention it was 2s.?—I do not know about that.

466. *Mr. Wilmot*.] Has the quantity of cereals produced in the western districts been reduced from past years?—I think it is more in our own districts. It entirely depends on the seasons we get; if we get a good rainy season the production is good.

467. Speaking broadly, has there not been a general reduction in the cereal crop production of the Western District?—I think it is a little more.

468. Then you still think it requires protection?—Certainly.

469. Do not you think the farmers in this country are backward in farming, and not using the proper appliances as in other countries?—No. If you see how they struggle for their own benefit—

470. Do not you think it would be better for them if they used machinery properly?—I think they do.

471. What machinery have they?—Reaping machinery, ploughing machinery (which has been improved), threshing machinery, and they have got good cattle. Our land is not suitable for steam ploughs as a rule.

Mr.
A. Bester.
—
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Mr.
A. Bester.
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472. How is it that people thousands of miles away are able to produce, pay freight, and sell at a profit, while you are not able to do it?—I have not been abroad and cannot give a proper statement on that, but you will find that other countries are more suitable for steam ploughing than this country is.

473. Would it not be better for the farmers to turn their attention to cattle?—Well, cattle require suitable land, they cannot live where grain can be sown: they require lots of bushes.

474. Then cereal growing is the only thing the farmers in your district can go in for?—Yes.

475. *Mr. Pyott.*] You think that farmers require further protection in the producing of wheat than at present?—It will be to their benefit to have it.

476. To the benefit of the country?—If they are better protected it will enable them not only to improve their farms but also enable them to pay their labourers more, and they will be able to buy more from the shopkeeper.

477. *Chairman.*] But will they produce more if they have protection?—Oh, yes. If you pay me to-day for doing some work I will try to do more to-morrow. The farmer is anxious to get his pocket well filled.

478. *Mr. Pyott.*] You are aware you have a certain protection over the railway in comparison between imported wheat and Colonial wheat. What do you reckon the difference, 1s. or 2s. per 100 lbs? For instance, a miller in Cape Town prefers to buy Colonial wheat and will give you 1s., 1s. 6d. or 2s. more, because he can get that conveyed to, say, Mafeking at half price. That is a considerable protection to the farmer, is it not?—Yes.

479. And enables you to give a better price for Colonial wheat than for imported?—Yes.

480. But is not it sufficient?—No.

481. *Chairman.*] What do you pay for Colonial Wheat?—I think it is 15s. per 200 lbs. delivered into the store here. It may be a little more.

482. And the imported?—About 15s. 3d., that is, Australian.

Mr.
A. Bester.

483. Then they practically get the same price here in Cape Town?—Yes.

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484. *Mr. Rogers.*] What is the cost of producing a bag of wheat in your district?—About £7 per muid.

485. And the return from that muid?—On the average, if the season is good, about 20 muids at 14s. 6d.; that is £14 10s. 0d., less expenses, from one muid sown.

486. That would leave a profit to the farmer of about £7 per muid?—Yes, but you must remember that there are other expenses.

487. What is the price per morgen in your district?—Well, we have so many classes of farms.

488. I mean fairly good agricultural land?—Some cost £3, some £2, and others again £1. In one instance, I sold a farm of 2,000 morgen for £3,665. That was a couple of months ago.

489. *Chairman.*] If you had a protection of 4s. per bag, do you think it would be fair to place a land tax on the land?—No, you must not tax the farmer any more. Farmers are not supported enough; if they are supported everyone will benefit by it.

490. *Mr. Rogers.*] What do you pay for labour in your district—ordinary farm hands, ploughmen, etc.?—Our coloured boys receive 20s. a month, free food and a free house; I think it is worth about £3 per month.

491. It seems strange to me that we cannot produce wheat at a price to allow of its being sold cheaper than at present?—If we had rain enough we could produce more, but our seasons vary so much.

492. Then it is the poor yield per acre which causes the high price of wheat in this country?—I think it is. On good land we get twenty-fold return, but not on all.

493. *Chairman.*] Down your way I have seen magnificent crops on farms, and the whole of the

Mr.
A. Bester.
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ground was not cultivated, why is that?—Some of the ground is suitable and some is not.

494. *Mr. Rogers.*] Do you manure your lands?—Oh, yes.

495. Does it improve the quality of the soil for wheat growing?—Certainly.

496. What would the difference be between the manured land and land in its existing state—I mean the return from it?—If the land is manured, you would get 15 to 20 muids, if not manured you would only get 10.

Monday, May 8th, 1905.

PRESENT :

DR. PETERSEN (Chairman).

Mr. Rogers.

Mr. Pyott.

Mr. Hurndall.

Mr. Wilmot.

Mr. Graaff.

Mr. Llywelyn Thomas, examined.

Mr.
L. Thomas.
May 8, 1905.

497. *Chairman.*] What is your business?—I am a wire-mattress maker.

498. How long have you been established in business in this Colony?—Since October 1899.

499. Did you come in under the old Tariff?—10 per cent. was the most I have had to pay.

500. Could you compete with the imported article then?—I could not.

501. You knew at the time you commenced business that you could not compete with the imported article?—I did not exactly know, but when I started it was with the idea of sticking to the business and thought that in time I might have come round and found things much better.

502. What did it cost you to make a wire mattress?—It used to cost me then 11s. to make a wire mattress; now it only costs me 9s. to 9s. 6d.

503. What does the imported article cost?—6s. 9d. to 7s. at Home.

504. And how much landed here?—It lands here at about 10s. 6d. to 11s.

Mr.
L. Thomas.

505. Do you pay duty on the raw product you use?—Yes, on the wire. We pay the same duty on that as on the imported mattress.

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506. What do you suggest to enable you to compete with the imported article?—I think if the duty was cut off the raw material it would help us.

507. How many men do you employ?—In ordinary times I used to employ six hands.

508. If times improved and you had protection, how many hands do you think you could employ?—I think about a dozen at least.

509. You can undersell the imported article?—Well, my wire mattress costs me 9s. to 9s. 6d. to make; the imported mattress costs 10s. 6d. to 11s. to land here, and for the difference of 1s. or 1s. 6d. it does not pay me to make them. If there was a large quantity to be made I could make them all right, but as it is, there is no demand. I cannot get people to take my things at practically the same price as the imported cost.

510. *Mr. Rogers.*] What is the nature of your work?—Wire-mattress making—the weaving of the wire and the nailing on to the timber and, of course, stretching up.

511. Do you employ skilled labour for that?—Yes. It takes a boy or a man twelve months to become any good at it. I have had boys on the machine for five years and they are now quick at it.

512. *Chairman.*] Do you employ coloured or white labour?—Coloured.

513. *Mr. Rogers.*] Do you supply the wholesale houses?—Yes, we supply the wholesale houses such as Stuttaford's, Fletcher's, &c.

514. Do you find it pays you to carry on your business?—Well, it barely pays. I have been waiting for things to improve.

515. The depression in trade would no doubt interfere with your industry?—Oh, yes. We used

Mr. L. Thomas, —
May 8, 1905. to be able to supply the wholesale houses when they ran out of stock, but now they are getting more 'cute and keep up their stock.

516. Do you consider the wire you import a raw material?—Yes.

517. There is a $7\frac{1}{2}$ per cent. duty on the wire?—Yes.

518. Then there is the same duty on the imported wire mattresses?—Yes.

519. If the imported mattress was charged $12\frac{1}{2}$ per cent. and the wire something like 5 per cent., would that do?—Yes, about $7\frac{1}{2}$ per cent. difference would help us.

520. Then you could do a large business?—Yes.

521. And other makers as well as yourself?—Yes.

522. Then if you did a large business, could you reduce the prices?—Oh, yes.

523. Would the public benefit by this reduction?—Yes, they would.

524. Mr. Pyott.] How do you import your wire?—It comes in coils, packed in casks.

525. Do you weave it in the Colony?—Yes.

526. What kind of machinery do you use?—Well, a small machine costing about £10 answers our purposes at the present time and it turns out a fair quantity.

527. And you think if you had reasonable protection for your class of work a large amount of work could be done in this Colony?—A much larger quantity could be done if we had protection—it would give us greater encouragement.

528. Can you make as good a spring mattress as they can in England?—We can make one equally as good.

529. You say the Stores prefer the imported mattress to the Colonial-made one, why is that?—They can import at 10s. 6d., and it does not pay us to sell at that price. If I turn out 150 spring mattresses a month it is a very good month, but if I had 4d. on every spring mattress it would help.

530. How long does it take you to make a spring mattress?—I could make 50 to 60 a day.

Mr.
L. Thomas,
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531. You think if the Government would give you a little more protection, either by reducing the duty on the raw material or increasing the duty on the manufactured article, it would increase your trade in this Colony?—Yes.

532. Is there anything further you would like to say?—Well, several firms have had to close down. I may mention the following, viz.:—Mr. Fisher of Buitengracht Street. Mr. Bourgestein of Salt River, Messrs. Bernard and Sarif of Salt River. Mr. T. Underhalter of Chapel Street. "The Little Dustpan" of Plein Street. Mr. W. G. Delmore of Salt River, Mr. Bevern of Long Street; these have all closed down their places during the last five years.

533. All through the Customs Convention?—I would not like to say that.

534. But there is much more imported than is made here?—Yes.

535. *Mr. Pyott.*] You are practically the only man left here to-day?—Yes, of any consequence. There is a coolie making mattresses, and Messrs. D. Isaacs & Co. make them also, but beyond these there are none.

536. Then the Customs duties have wiped off the business?—That is so.

537. *Mr. Rogers.*] Did the firms who have closed down employ more hands than you?—No, none of them employed so many hands as I did, but then I have been working and sticking to it.

538. *Mr. Graaff.*] When did you start?—Five years ago. I have also been manufacturing bedding, for if one thing does not sell another does.

539. *Mr. Pyott.*] Do you import wire mattresses to sell?—Absolutely no.

Wednesday, 10th May, 1905.

PRESENT :

DR. PETERSEN (Chairman).

Mr. Rogers.
Mr. Wilmot.
Mr. Pyott.

Mr. Ross.
Mr. Graaff.

Mr Albert Walsh. examined.

Mr. A. Walsh.
May 10, 1905. 540. You are a manufacturing chemist?—Yes.
541. And you use a large quantity of spirit in your preparations?—Yes.

542. We make a large quantity of spirit in this colony. can you purify it sufficiently to make it suitable for your Pharmacopœial preparations?—Yes.

543. And can you get enough of it?—Yes.

544. If we prepare spirits from molasses, grain or potatoes, it is subject to 10s. duty. The same is shipped to this country in the shape of tinctures at about 3d. a gallon?—Even less than that I think.

545. Do you think it right that these tincture and other preparations should be introduced at that rate?—No, certainly not. i.e., taking the Cape Colony as a producing country.

546. Can you make the Colonial spirit as good as the imported?—Yes.

547. The Dutch medicines contain a good deal of spirit on the whole?—Yes.

548. That comes in practically free; that is, I mean, the Dutch medicine?—The duty is about 7½ per cent.

549. Are the Dutch medicines manufactured in England?—Yes, and in Germany.

550. If the duty were increased to 15s. per gallon could they supply them from England?—They could not sell the medicines here then.

551. Would that help the farmers?—I do not know about that.

552. About the spirit manufactured from potatoes?—It is all a question of supply. You cannot run an industry unless you are absolutely certain that the cost of your materials will not sensibly vary. Now, if you are going to compel the people to use the wine spirit, and the crop was particularly short, as it was a few years ago, and the price went up to 12s. or 13s., it would be a practical impossibility to carry on the manufacture. In that event your crops and your prices are always varying; one day you can supply at one price, and the next day, owing to the drop in the price, your neighbour would be supplying at 25 per cent. lower than you were.

Mr.
A. Walsh.

May 10, 1905.

553. Should the duty be put on Dutch medicines and tinctures imported into this Colony?—Yes, but if you want the industry to become an industry in this country you must provide some means to enable the manufacturer to get all his material at a uniform rate. You see, in Germany and England the prices for the material do not vary more than 5 or 10 per cent.

554. But you can make the spirit from potatoes?—Undoubtedly you can.

555. And it would pay the manufacturer here to make it out of that if he could get the price for it, and there is a 10s. duty on it now?—That is where you are practically stopping the manufactures of medicines to a very large extent. If you had an open trade in spirits, as in everything else, you could ensure the price being uniform.

556. If you buy spirits to-day you have to pay a duty of 15s. a gallon, if you import the spirit in the Dutch medicine you pay nothing extra on it?—There is no reason why the English spirit should come into this country without duty being paid on it.

557. *Mr. Wilmot.*] In connection with the business you are representing have you any suggestions to make as regards promoting the interests of those industries?—Well, of course, it is rather a difficult thing for one not in the special manu-

Mr.
A. Walsh.
May 10, 1905.

facturing of wine spirit to speak about it, but there is absolutely no doubt that you ought to provide some means of keeping the price of spirits uniform. Now, I take it that nobody could make a grain spirit with any satisfaction to his pocket to-day at the price at which wine spirit is being sold. I think that is practically a certainty. Now, I think the differential duty between wine and grain spirit should be modified so as to protect the manufacturer against severe fluctuations of prices, because, after all, the grain is grown in this country, and the sugar—if such a thing were used—would probably come from Natal, as it used to do in the olden days, in the shape of what was called “concrete,” *i.e.*, in slabs.

558. *Mr. Pyott.*] What do your tinctures pay to-day?— $7\frac{1}{2}$ per cent. *ad valorem*.

559. So you are in favour of putting a higher duty on the imported tinctures?—Undoubtedly.

560. That would protect the manufacturing chemist out here?—Well, I would not go so far as that, because I look upon it more as a revenue-producing thing. I do not think it would be much of a material difference, because if you put a higher rate of duty you would get more competition in this country.

561. In manufacturing the tinctures in this country you think the difficulty is in the varying price of spirit?—Well, you cannot go in for a heavily fluctuating price on the principal article you are using.

562. Do not you think that if we manufactured tinctures in this country you would have a regular supply of spirit?—Well, history does not bear that out.

563. *Chairman.*] But you dare not make a large quantity of tinctures for fear they might evaporate?—But if you use stoppered bottles it would answer the purpose.

564. But you would require a large number of bottles?—Well, I reckon that at the present time we get through close on 5,000 proof gallon tinctures

a year. That is why I say it is a proper thing to tax for revenue.

Mr.
A. Walsh.

May 10, 1905.

565. And you could employ more hands and make more Dutch medicines?—I do not think it would make much difference; we make a lot now.

566. But you would make more?—But we do not use so much.

567. Do you want a higher class of men for the purpose?—Oh, yes; you want a qualified man.

568. *Mr. Pyott.*] You are making Dutch medicines to-day?—Yes.

569. Can you compete with the imported stuff?—We can compete with the best quality, not the cheap quality.

570. Then why not put a duty on the cheap kind?—I am in favour of that.

571. *Chairman.*] Nearly all the cheap kind is imported?—Yes.

572. Is the quality of the Dutch medicine which is imported as good as that made here?—No, I do not think so.

573. Why cannot you get sufficient spirit in this country.—are we not allowed to make from any other material?—Oh, yes; but we have the Excise against us. If you make it from grain you must pay 10s. per gallon, and from wine 6s.

574. Would you suggest the lowering of the duty on the grain spirit to that on the wine spirit?—Yes.

575. Would it affect the farmer?—I do not think it would affect him at all.

576. *Mr. Graaff.*] What is the imported spirit made from?—Potatoes, mealies, grain, in fact anything. The Pharmacopœia definition of spirit is “an alcoholic liquid made from the fermentation of any saccharine substance.”

577. What quantity of tinctures are imported into this country?—Well, my firm use about 3,500 proof gallons in this Colony; Natal and the Transvaal use them no doubt.

578. Is your firm the largest importer?—I have no knowledge of that.

Friday, May 12th, 1905.

PRESENT :

Dr. PETERSEN (Chairman).

Mr. Wilmot.

Mr. Rogers.

Mr. Graaff.

Mr. Pyott.

Mr. Ross.

Mr. Hurndall.

Mr. Andrew William Heeger, examined.

Mr.
A. W. Heeger.
—
May 12, 1905.

579. *Chairman.*] We would like some information as regards the dip you manufacture: of what nature is it?—It is called "Heeger's Fluid."

580. Can you get the ingredients for the dip in this Colony?—No, the best part is imported.

581. From where?—Principally from England.

582. What is it composed of?—There are different ingredients.

583. Is there sulphur?—Yes, there is a portion of sulphur used in the manufacture of it.

584. Is it the flower of sulphur or the lump?—I use both. I really use seven ingredients.

585. Can you compete with the imported dips?—Well, this is a non-poisonous dip; it has been tried on everything except scurvy.

586. In what way do you think we can give you adequate support or protection for the manufacture of your dip?—By Government support.

587. What do you mean by Government support, do you want a protective duty?—We want the duty taken off the raw material so that we can compete with the imported dip. If we get support from the Government we could reduce the price of the dip.

588. Is there any duty on dip?—When I took two drums,—that is twelve gallons—into the Orange River Colony they made me pay duty.

589. But how can they do that, as the Orange Colony is a party to the Customs Convention?—Well, I do not know, but I know I had to pay £2 Customs duty on those twelve gallons.

590. *Mr. Pyott.*] Was it manufactured in Cape Colony?—Yes. Mr.
A. W. Heeger.

591. And you had to pay duty in the O.R.C.?—Yes. May 12, 1905.

592. *Mr. Wilmot.*] Did you tell them it was manufactured in Cape Town?—I did not think to tell them that.

593. *Mr. Pyott.*] Was it taken as a Colonial manufacture?—I do not know. I was asked to go and try the fluid there and I went, but the fluid was somehow or other delayed on the journey and did not reach me until eight days after I got there. Then I was told that the first dipping had already taken place. They wanted me to go to Basutoland, but time would not permit me going there.

594. *Chairman.*] Does your dip contain spirits?—No.

595. *Mr. Wilmot.*] Have you ever asked this Government to test your dip?—Yes. I have tried several times but have never had a chance.

596. How did you try?—I have tried Dr. Hutcheon. He reckons that it will run too high in price.

597. What is the price of it in a large quantity?—We are selling it now at 5s. per gallon, but, of course, for large quantities it can be reduced below that.

598. The Government would not test it?—They have not tested it. Dr. Hutcheon only tried it on a big horse and four oxen; and then it has been tried on Mr. Hill's farm at Stellenbosch.

599. But have you tried it for scab?—No.

600. Then you do not know whether it would act until it has been tried?—No. I have offered to buy sheep infected with scab, and try it on them.

601. Do you think it will cure scab better than the other dips?—It may be slower, but it will answer the purpose. You see, it is a non-poisonous fluid, and they can drink it.

602. *Chairman.*] How many men do you employ?—I am only making it in my spare time at present.

603. *Mr. Pyott.*] Do you know what duty you are paying on the raw material?—No, I do not.

Mr. A. W. Heeger, May 12, 1905. 604. You say the price of your fluid is 5s. per gallon?—Yes, now, but I could of course do it much cheaper for large quantities.

605. Supposing that you got an order for 1,000 gallons?—Well, I should have to work that out.

606. We want to give protection, but we want to know from you what protection you want as regards duty?—We want protection by duty, and also a reduction of train freight.

607. Can you make your fluid sufficiently low in price to compete with the imported article?—Yes, I think so.

608. *Mr Hurndall.*] Do you know the result of Dr. Hutcheon's experiment with this dip on cattle?—I have a very good report from him. Since he tried it I have cured several more.

609. How is it you have not had any experiments with scab in sheep?—Well, I am in daily work, and have not much spare time.

610. What quantity are you making now?—At present I am making 30 gallons a week—that is, of course, in my spare time.

611. Supposing this to be an effective cure for scab, what quantity could you turn out?—I could turn out 1,000 gallons a week easily.

612. Could you not do more than that?—Oh, yes, I reckon that is the lowest quantity.

613. Supposing you turn out 5,000 gallons a month, would you employ many hands?—No, I should not want very many.

614. And you think this dip would cure scab?—I fully believe so, if it were put to the test.

615. Have you tried other experiments with it?—I have tried it on fruit trees for scale, for slugs, and for the codlin moth.

616. Have you been successful in curing scale?—Yes, absolutely.

617. Why is it you have not tested it for scab on sheep?—I have not had the chance of doing so. When I went to Bloemfontein the first dipping had already finished, and they would not give me a chance of trying it on the second. Then I could

not go to Basutoland on account of the shortness of time.

Mr.
A. W. Heeger,
—
May 12, 1905.

618. What do you intend doing as regards testing it on sheep?—I would not mind trying it if I could get leave, and trying it myself. I might possibly improve on it, and, if necessary, make it much stronger.

619. Would that increase the cost?—No, not very much to the buyer. I should have to stand the extra cost myself.

Monday, 15th May, 1905.

PRESENT :

DR. PETERSEN (Chairman).

Mr. Ross.

Mr. Wilmot.

Mr. Rogers.

Mr. Pyott.

Mr. Hurndall.

Dr. Duncan Hutcheon, M.R.C.V.S. (Colonial
Veterinary Surgeon) examined.

620. *Chairman.*] We would like to have your opinion on the matter of the different dips. Can they be manufactured in the Colony?—The chief difficulty is to agree upon a dip that will be satisfactory, generally. For Scab we have always maintained that a dip containing sulphur is the most satisfactory—because it maintains its action on the skin longer than the others—which is a point of great importance in this Colony, where flocks are so liable to become re-infected. The lime and sulphur dip is one of the best, but it cannot be satisfactorily made for distribution; it requires to be made when it is to be used.

Dr.
D. Hutcheon,
M.R.C.V.S.,
—
May 15, 1905.

621. There is no difficulty in making this dip?—No, it is simply a matter of care in carrying out the simple details. It is different, however, when we come to deal with dips that will kill ticks. So far

Dr.
D. Hutcheon.
M.B.C.V.S.
—
May 15, 1907.

as our experience goes at present, there are only two substances that are effective in killing ticks, paraffin oil and arsenical compounds.

622. Which is the more effective?—Paraffin oil is the most effective and most prompt in its action, and it is non-poisonous. Compounds of arsenic are the principal ingredients in all the tick dips at present in use. In the United States, where paraffin oil is cheap, they used a crude form of it, in which was dissolved a certain percentage of Sulphur. It is called "Dynamo-sulphur oil," it is a most efficient dip, but it is too severe on the skin when used without dilution. They then tried it by placing a quantity of water in the tank, and then poured in the dynamo-sulphur oil, which floated on the top of the water. The animal in rising out of the dip, then became covered over with a coating of the oil. But when 25% of pure paraffin oil is added to 75% of water, and applied with a spray-pump, which mixes them together in the spray, it proves a very effective tick destroyer. The only objection is its expense. In this respect arsenical compounds have a great advantage, they are very cheap—but they are poisonous.

623. But why do you use arsenic?—It is the best dipping mixture that has as yet been discovered, and it is the cheapest.

624. Do you find paraffin as effective as arsenic?—Yes, it is both more prompt and more effective than arsenic, but it is not practicable to use as a dip. The object aimed at in the manufacture of an arsenical dip at present is to obtain a chemical compound of arsenic, which will remain of a uniform strength and quality throughout the dipping operation—with something added to prevent the cattle drinking it.

625. Could it be manufactured here?—You could import the ingredients and make the preparation here.

626. Cannot the dip be manufactured here instead of being imported?—Yes. It is merely the matter of providing the plant. There is a local

manufactory which could make the tins and drums. If the Government did not take up the manufacture of the dip, they could call for tenders for its manufacture in the Colony.

Dr.
D. Hutcheon,
M.R.C.V.S.

May 15, 1905.

627. *Mr. Pyott.*] After your Department has come to some decision as to what is the best dip in the Colony, would it not be well for them to have the formula published and have the dip manufactured in this Colony; then we could protect that industry by putting a duty on the imported dip?—Quite so.

628. *Mr. Hurndall.*] Fletcher's, of Grahamstown, manufacture a dip locally, do they not?—I believe so.

629. Have you had any experience of it?—Not personally, but I have a report upon its effects from one of my officers.

630. *Chairman.*] But arsenical preparations for dips have been manufactured for many years?—Yes. Some of these preparations have been used for dipping sheep. Cooper's was one of the first; subsequently other firms manufactured similar preparations.

631. *Mr. Hurndall.*] Have Fletcher's approached the Department as regards their dip?—I do not know. I do not think so.

632. Is it on the official list?—Yes; it is one of the recognised dips. It was not strong enough when first used, but they have increased its strength, and so have nearly all the manufacturers of arsenical dips for ticks, since we published an account of Mr. Lounsbury's experiments, showing the strength which these arsenical solutions required to be to kill mature female ticks, especially the "bont" females.

633. But we can make these preparations here?—Yes.

634. *Mr. Pyott.*] You have a tin factory in Cape Town now; if you had a dip made here could it be supplied equally as cheap to the farmer as the imported dip?—Yes.

635. *Mr. Wilmot.*] Have you any suggestion to make to this Committee to help forward any dip-

Dr.
D. Hutchison,
M.R.C.V.S.

May 15, 1905.

making industry in this Country?—If the Government decided on one particular dip they could manufacture it, and sell it to the farmers at cost price, which would be cheaper than the manufacturers could. The difficulty would be in selecting a dip which would be satisfactory to the farmers generally. There would be a strong tendency amongst the farmers to object to be tied down to the use of any one dip. This might be overcome by the Government manufacturing more than one dip. There is, however, a serious objection to the Government supplying a dip, especially when it is one containing a poison: the Government would be held responsible for any loss arising from dipping, whether from carelessness or pure accident.

Mr. George Egerton Dugmore, M.L.A., examined.

Mr. G. E.
Dugmore,
M.L.A.

636. *Chairman.*] You are Managing Director of the Indwe Railway Collieries and Land Co., Ltd.?

—Yes.

637. Can you make a statement as regards Colonial coal?—Yes. I have prepared a statement which I will read to you.

I do not think the importance and magnitude of this Company's industrial undertaking are realised by the public, nor the benefits, direct and indirect, which result therefrom.

I give below the annual output of coal at Indwe, and number of persons employed since 1899.

Year.	Tons of Coal.	Average number of persons employed.
1899	132,603	1,335
1900	129,009	1,597
1901	129,819	1,274
1902	116,154	960
1903	133,584	1,039
1904 $\frac{1}{2}$ yr.	52,694	1,119

Total $5\frac{1}{2}$ years, 693,863 tons at 17s. per ton, £607,130.

The Indwe Company is entirely a Colonial industry, the shares being all held in this Colony. Coal is the raw material of other industries, and must be obtained from outside, if not produced within the Colony, so that owing to the operations of this Company, the Colony retains for circulation the large amount of money which would otherwise have to be spent on imported fuel.

Our principal customers have been the Cape Government Railways and De Beers Consolidated Mines, the former having taken an average value yearly of about £60,000 worth, and the latter about £50,000 worth, which has furnished traffic to the railway.

Mr. G. E.
Dugmore,
M.L.A.

May 15, 1905.

The following approximate revenue has accrued to the Government as a result of these mines :—

Average rail carriage on Indwe coal per year	...	£81,000
Average carriage on goods for Indwe Co.	4,250
Annual Royalty paid to Government on Coal	2,500
Coal area Leases	330
Total		£88,080

the greater part being earned by coal carried to Kimberley, but owing to the low rates for coal on the Natal and C.S.A. Railways, Transvaal and Natal coal can compete successfully against Indwe, and the quantity sent to Kimberley has fallen from six to eight thousand to two thousand tons monthly. Col. Harris stated in another place that a reduction of 5/- per ton on the Cape Railways would have secured a continuance of the large volume of traffic to Kimberley. Our railway rates are :

Indwe to Sterkstrom, 66 miles	$\frac{1}{2}$ d.	2 9	} 27/1
first 100 miles main line	1d.	8 4	
remaining distance 257 miles	$\frac{3}{4}$ d.	16 -	

The actual cost appears to be 12/1 $\frac{1}{2}$ so that this reduction of 5/- might be made with advantage if it secured the traffic.

As a result of working the Indwe Mines a township has sprung up, with over 1,000 European and 2,000 Native inhabitants, almost entirely dependent on the wages paid at the mines for its support, and getting its supplies by rail from East London.

For some unaccountable reason the Government have reduced their contract for Coal with this Company from 6,000 or 7,000 tons monthly to 4,500 tons, though the Company accepted a reduction in price of 1/3 per ton, that is from 18/9 to 17/6. The Company have spent over £60,000 in machinery and plant, and could easily maintain an output of 12,000 to 15,000 tons a month, but they have had to shut down one mine and work the other two only 20 days per month : while the mines being worked to only half their capacity the costs are increased, and both mines and the trade of the town have greatly suffered in consequence.

There appears to be a very strong prejudice on the part of some of the Railway authorities against using Colonial Coal, and very damaging statements have been made, which the facts do not bear out, at least, as regards Indwe Coal—such as the following :—

“ At East London alone it has been estimated by the Chief Storekeeper that a loss of £30,000 a year results from the use of Colonial instead of Welsh coal on the Border line,” see p. 26, Civil Service Commission's Report.

Mr. G. E.
Dugmore,
M.L.A.

Also that the cost of the equivalent in Indwe coal of a ton of Welsh coal works out at

	<i>Sterkstroom.</i>	<i>East London.</i>
May 15, 1905.	Indwe 35 1	43 9
	Welsh 32/8	27/3

I addressed a letter to the Railway Department, asking how these figures were arrived at, and the following is a copy of the reply I received.

Cape Town, 5th April, 1905.

Dear Mr. DUGMORE,

With reference to your note of the 4th instant, I have to state that the figures concerning Indwe Coal given in the Civil Service Commission's report are arrived at as follows:—

Approximate cost to Department of equivalent of a ton of Welsh Coal at

	<i>Sterkstroom.</i>		<i>East London.</i>	
	35s. 1d.		43s. 9d.	
	s.	d.	s.	d.
Price per ton ...	17	6	17	6
Cost of haulage...	2	0	6	10
	<hr/>		<hr/>	
	19 6		24 4	

19s. 6d. x by 1.8 (relative value of Indwe to Welsh coal based on evaporation of 5 lbs. and 9 lbs. respectively.) 35s. 1d.

24s. 4d. x 1.8 (relative value of Indwe to Welsh coal based on evaporation of 5 lb. and 9 lbs. respectively.) 54s. 9d.

The Welsh coal is quoted at the present contract price.

Yours faithfully,

(Sgd.) ALEX. ROBB.

G. E. DUGMORE, Esq., M.L.A.,
House of Assembly.

This calculation is based on two entirely false premises,—first, that it requires 1,800 lbs. of Indwe coal to do the work of 1,000 lbs. of Welsh, and secondly that the Welsh coal being used costs at East London 27/3.

I hand in a pamphlet (*not printed*), which gives the results of official trial made in November, December and January last, three trips from East London to Queenstown and back, with Indwe and Welsh coals, Indwe taken at 17/6, and Welsh at 25/9 at Indwe and East London respectively, which gave following results:—

Cost price.	Consumption per T. mile.	Evaporation per lb. Coal.	Cost per T. mile.
Indwe 17/6	103 lbs	6.49 lbs water	11.90d.
Welsh 25/9	76	7.70	11.74d.
do. 27/3	76	7.70	12.43d.

In the pamphlet figures, the price of 25 9 for Welsh at East London is arrived at by taking 28 10 for 2240 lbs., which was stated to be the contract price for this year. I find that 27 3 is the price as given in Civil Service Commission's Report, p. 25.

It is evident from these figures that the price of Indwe Coal on the Border line compares not unfavourably with Welsh in regard to cost, even at the very low cost of Welsh under this year's contract, and do not bear out the statements of the Railway authorities that the use of Colonial Coal on the Border line involves a loss of £30,000 a year (p. 26, Civil Service Commission's Report), nor the further statement that the equivalent of Indwe coal to a ton of Welsh costs more than 1 ton of Welsh at Sterkstroom, and that therefore except on the Sterkstroom-Indwe branch Welsh coal is the cheapest fuel to use, see p. 25, Civil Service Commission's Report,—the figures are stated thus :—

Cost of ton of Welsh Coal, at Sterkstroom,	at East London.
32 8	27 3
Cost of equivalent of Indwe Coal	35 1
If 1400 to 1000 is taken, the cost	43 9
is only	27 3
	34 -

This is based on the assumption that it takes 1800 lbs of Indwe to do the same work as 1000 lbs of Welsh, or that the evaporative power of Indwe is 5 and that of Welsh 9 lbs. water per lb. of coal: the recent trials show that 7.70 was obtained from Welsh, and that the ratio is 1400 Indwe to 1000 Welsh, not 1800 to 1000.

This year's contract for Welsh coal is at very much lower rates than have formerly been paid. It is on record that there is now lying at East London a stock of Welsh coal delivered two years ago, and sufficient for two years' requirements (see Civil Service Commission's Report, p. 24). I hand in a statement (*vide Appendix*), showing the prices charged to the Loco. Department during the last six years (1899—1904) furnished to me by the Railway Department, from which it appears that the price charged during 1904 was 47/3 (or, to be quite exact, 47.278). This coal has already so deteriorated as to be considered unfit for trial purposes (see p. 23, Civil Service Commission's Report), but for purposes of comparison I give it credit of being equal to first sample of Welsh used in trials Jan. last, and the result is as follows :—

Cost.	Coal used.	Water evaporated.	Per lb. used.	Cons. per T. mile.	Cost per T. mile.
25 9	26,100 lbs.	18,800 galls.	7.20	8.4	13.04d.
47 3	do.	do.	do.	do.	23.92d.

In some years the price of Welsh coal was higher: how, in the face of this, such statements as are quoted in the Civil Service Commission's Report, p. 25, by responsible Railway officials come to be made, passes my wit to explain.

638. Your principal customers have been the Cape Government Railways and De Beers Co. ?—
Yes.

Mr. G. E.
Burmester,
M.L.A.
May 13, 1905

Mr. G. F.
Dugmore,
M.L.A.

639. And the supply of coal to these customers has gone down very considerably?—Yes.

May 15, 1905.

640. *Mr. Pyott.*] You mention the rate of $\frac{1}{2}$ d. per ton from Indwe to Sterkstroom: is that a special rate?—That was the agreement when the railway was taken over.

641. You are paying 1d. per ton for coal from Sterkstroom going upwards?—Yes.

642. Supposing it were going to the Coast what would the rate be?—I think it is $\frac{1}{4}$ d. per ton. It would go in what would otherwise be returned empty trucks.

643. Do you get the Colonial rate of $\frac{1}{2}$ d. per ton wherever the coal may be going?—No, we only get it on certain portions of the line.

644. The actual cost, you say, appears to be 12s. $1\frac{1}{2}$ d. per ton to Kimberley: how do you arrive at that?—If you refer to the reply I received from the Railway Department you will see that it shows the cost given as 5s. 5d. They are carrying Welsh coal from East London to Sterkstroom—a distance of 189 miles—for 5s. 5d. On that basis the actual cost to Kimberley works out at 12s. $1\frac{1}{2}$ d.

645. With regard to Col. Harris's statement, if the C.G.R. made a reduction of 5s. per ton would Indwe coal be able to compete with Natal coal?—Yes.

646. How many times is Natal coal handled before it reaches the mines?—A good many.

647. Could we not adopt the same policy as the O.R.C. do?—I think so. If we had kept the trade we could have kept the profit.

648. You say you were charging 17s. 6d. per ton to the Government, how was that?—Our previous contract was at 18s. 9d. and our present contract is 17s. 6d. 17s. is about the average, there is some coal at 15s. and some are Nuts. and so on. That is about the average, viz., 17s.

649. The Railway have given you the same benefit from Sterkstroom to East London as they are taking for themselves for Welsh coal from East London to Sterkstroom?—Yes: that shows their

statements do not hold water when they are analysed. What is unfair is that we should be charged the same for Indwe coal from Sterkstroom downwards, as the Government are paying for imported coal upwards.

Mr. G. E.
Dugmore,
M.L.A.,
—
May 15, 1905.

650. *Chairman.*] Why is there a prejudice against Colonial coal?—Well, there is the statement that “it has been estimated by the chief storekeeper that a loss of £30,000 a year results from the use of Colonial instead of Welsh coal.” I might refer to statements made some years ago, and which are on record in the Report of the Railway Committee for 1899. It was said that £64,000 a year was lost to the Colony owing to their being compelled to use South African coal. Mr. Sauer asked the General Manager of Railways to furnish him with statements bearing out this. Mr. Easton stated then that there was not any loss.

651. Can you suggest any remedy?—I think the only remedy is that the officials should be given to understand that the Government are determined to use Colonial coal.

652. You are wanting to have fair play?—That is all we demand. These statements are most damaging as they are untrue.

653. You say that there is a stock of Welsh coal at East London which has been lying there for two years: does it not depreciate?—Yes: when we were going to have the trials on which the present contract was based, the Welsh coal lying at Sterkstroom was not considered good enough to be tested; they then sent round to Port Elizabeth and got coal from there: they made their first run with that and the results were so bad that they sent somewhere else for another sample of coal and made further tests. After that they had a third test. Now, my main point is this, that the coal actually used in competition with the Indwe Coal is the very coal lying at East London.

654. Would you recommend that fresh tests be made?—Further tests have just been made now.

Mr. G. E.
Ongmore.
M.L.A.

Under our present contract we have tests made quarterly, and the Indwe coal has been proved satisfactory.

May 15, 1907.

655. *Mr. Wilmot.*] Of course you import machinery largely and at great cost?—Yes.

656. And when normally at work you have about 4,000 people at work?—No. I think about 1,200.

657. When you are getting the orders you ought to receive, the Revenue benefits to the amount of £85,000 yearly?—Yes.

658. And the results of these tests prove that it would be only fair for the Colonial coal to be used?—Yes.

659. Then in the interests of the taxpayers the Government should take the quantity of coal they formerly did?—Yes, I think they should take the quantity we can give them.

660. And they will not lose in comparison with Welsh coal?—No. I am quite sure they will not.

661. *Chairman.*] If the cost of railway freight were reduced could you increase your sales?—Oh, yes.

662. At what cost can you land coal at Cape Town?—As a matter of fact, we have tried it, but only for certain classes of coal.—Slack, Nuts and the low-priced coals.

663. The sale of your coal is restricted to a certain area in the Eastern Province?—Yes, we sell at East London, King William's Town, Queenstown, etc.

664. *Mr. Rogers.*] How much coal have you available in the Indwe Mines, so far as you know?—Well, we estimate the life of the mine we are working at present at 20 years, but we have other mines which have been proved by boring, and we think the life of those would be about 100 years.

665. *Chairman.*] How deep have you bored?—To 800 feet.

666. *Mr. Rogers.*] To what extent could you increase your output?—With our present plant and sufficient labour we could maintain 15,000 tons a month. Our maximum for one month has been 17,000 tons.

667. And who has been responsible for penalising this Colonial industry?—Well, the person whose reports seem so damaging, is the Chief Superintendent of the Locomotive Department in Cape Town.

Mr. E. E.
Dugmore,
M.L.A.
—
May 15, 1905.

668. The other day I saw a long train-load of coal coming up from the Docks, apparently just unloaded from the ship. Can you tell us why this should be when we have any quantity of coal in this country?—Well, in Cape Town Welsh Coal is cheaper than any other kind. This applies, I think, up to Touws River, but beyond that I think it is admitted that South African coal can compete with any imported. Of course, Welsh coal is landed here for working the suburban lines.

669. *Mr. Pyott.*] There are some portions where you could not supply?—Yes, but we think where our coal should be used is from East London to Sterkstroom.

670. And you can supply your coal to compete with Welsh?—Up to Touws River the Welsh coal would be cheaper, but beyond that I maintain that South African coal should be used.

671. The Welsh coal going from East London, and the Indwe coal coming down—should they be charged at the same rate?—The Railway Department should not charge the same for the up journey as for the down journey.

672. Have you ever tried your coal for stationary engines in East London or King William's Town?—The King William's Town Milling Co. have all their coal from us, but they use big Lancashire boilers, and the coal they use is Slack.

673. What is the cost of that Slack at King William's Town?—We charge 5/6 a ton at Indwe.

674. Do they need any special furnace?—Just the Lancashire boiler with ordinary grates.

675. They have not any special furnaces?—I do not know. At Indwe we have the same boilers, but we have a force-draught chimney, *i.e.*, a suction draught.

APPENDIX.

[A]

The Secretary,
S.A. Manufacturers' Association,
Cape Town.

DEAR SIR,—

The Sub-Committee representing the Wood Working Industry, and the Manufactures of Joinery, that was appointed to enquire into the condition of the trade as affected by the Customs tariff and other circumstances, beg to submit the following Report:—

The imports of manufactured goods of the description in which we are interested have increased in recent years in greater proportion than imports of raw materials necessary for their manufacture. A large share of these finished articles can be made in the Colony, and we have considered in what respect the local producers are handicapped in competition with the imported article, and how they can be assisted to meet that competition without detriment to the general interest.

Customs duty is at present imposed on timber and other constituents at 10 per cent. *ad valorem* ($7\frac{1}{2}$ per cent. if British or Canadian) whether in the rough or manufactured—indiscriminately; so that at the present time no encouragement whatever is afforded the industry by the Customs tariff, but by taxing the raw material rather the reverse.

Owing to the high cost of living, wages are very much higher in South Africa than in most of the countries which export goods composed chiefly of wood in the finished state. In Norway and Sweden the average earnings of a mechanic are about 5s. a day, as against 14s. paid at the Coast ports.

The freight on the manufactured article is often less than on the finished article, owing to the waste which occurs in the manufacturing process (varying in degree according to the nature of the goods) increasing the measurement, and, in addition, the value of this waste has to be paid duty on.

The cost of coal, also, is an important factor to the manufacturer, and the duty on it is 3s. per ton of 2,000 lbs. What we recommend, therefore, is that an adjustment of the Customs tariff is absolutely essential if the wood working industry is to flourish in South Africa. Timber in the rough should be admitted free of duty. There is no South African timber that can be utilised in the place of the imported, so that no injury would be inflicted on any other industry by the adoption of this course. Manufactured goods such as mouldings, joinery, church furniture, shop-fittings, etc., should be taxed on a very much higher scale than is now in force.

In comparison of standard rate of wages here with what prevails in Norway and Sweden, which countries export very largely to South Africa, it will be noticed that we have to pay nearly three times as much as is paid there, while the Customs duty is only 10 per cent. on imported manufactured goods. It will thus be seen that in this respect we are at an enormous disadvantage, which can only be remedied by an increased impost of Customs duty sufficient to countervail the low rate of foreign wages.

As to the extent of the increased impost, we should suggest that the Tariff operating in the Commonwealth of Australia should be followed. There the local manufacturer of all kinds of wood work is receiving cordial support from the Government, and at the present time he is able to supply most of the domestic requirements of the country, and is turning attention to export.

It follows that if manufacturing is done on a large scale here, employment will be given to a large number of skilled workmen, and money will be circulated to much greater extent by the payment of wages to them. Factories are already established for manufacturing wood work, but very few, if any of them, are working to anything approaching their full capacity. As soon as it is made practicable to manufacture more largely, new factories would undoubtedly be established, and the large amount of money sent out of the country in payment of wages, etc., to foreign workmen will be retained here, and good will result in consequence, not only to the trade itself, but to the community in general.

The Government would lose a certain amount of revenue by reducing or abolishing the tax on the raw material, but it would in some measure recover by the increased duties levied on the manufactured goods. The greatest benefit, however, to the Government would be the large number of persons in employment at remunerative wages, who, with their employers, will be large contributors to the revenue through other channels.

As regards coal: As there are no mines anywhere in the Western districts of the Colony, all that is consumed has to be imported. It would, therefore, be a benefit to those districts if the duty on imported coal was either reduced or abolished.

At your convenience, we wish this Report submitted to the Government for their consideration, and if they are in sympathy with us and express their willingness to assist us in the direction we have indicated, we shall be pleased to draft a detailed schedule that embodies the opinions of the local manufacturers.

We are convinced that good will accrue to the Colonies if local industries are fostered, and we are firmly of the opinion that they can be, if the Customs tariff be re-adjusted so that cheap foreign competition can be met.

[B]

The Chairman of the Select Committee of Colonial Industries.
Legislative Council, Cape Town.

DEAR SIR,—

I have to acknowledge receipt of your favour, No. 77, under date 31st March. I have seen the Hon. Mr. Pyott on the matter, and now beg to hand you the following memoranda on the Tanning and Allied Trades (boot-making and harness-making) in the Cape Colony.

The tanning of leather, from the raw products of the country, is the industry that it is desirable to foster, and, if the raw products necessary are to hand, this is the base from which any start should be made to build up or foster the leather industries. In our case the Raw Products are at hand in plentiful quantities, viz.:

Ox and Cow Hides in all grades,
Angora Goat-skins,
Boer Goat-skins,
Cape Sheep-skins,
Merino Sheep-skins.

We have a variety of indigenous and other barks, such as—

Mimosa,
Borboun,
Wattles (of several varieties),
Nautagara (a good substitute for shumac),
Kliphoud,
Wa-Boom,
Port Jackson Willow.

and at present the supply of these barks is greatly in excess of the demand. Lime, tallow and whale oil are usually in good supply, and with the hides, skins and barks give us practically all that is necessary for the manufacture of leathers suited to this country's requirements.

In my opinion, to make the leather industry a big success, and an important asset to the country, it is necessary:

- (1) To impose a higher import duty on manufactured leather from abroad.
- (2) To foster the industries of boot-making and harness-making by placing them on such terms (through the Customs tariffs) as will enable them to compete with the cheap manufactures of Great Britain, Germany and America.

The necessity of this will be apparent to you as the tanning industry is dependent upon these other manufactures as users of their products.

I give below a comparison of duties at present in force:—

	Sth. Africa		Australa.	N. Zland.	Canada	U.S.A.
	Brish.	Frng.				
Boots and Shoes ...	7½ %	10 %	30 %	22½ %	25 %	25 %
Harnesses ...	7½ %	10 %	20 %	20 %	25 %	45 %
Leather ...	7½ %	10 %	15 %	20 %	17½ %	20 %

*2d. per lb. on Sole Leather. 4d. per lb. on Harness.

The South African Leather Industries' Association compiled statistics of the trades last year, and below I give you the main points as compared with figures collected in 1898, which clearly show that the trades are on the decline. The figures are taken from manufacturers' own statements, and are approximately correct.

The trades employed:—

In 1898, 524 white men and 820 coloured, and paid wages ... £120,000

In 1904, 317 white men and 480 coloured, and paid wages ... £64,786

Hides per annum.

The present "capacity" of tanneries in the Colony is ... 195,460

The present "output" is ... 43,804

Pairs per annum.

The present "capacity" of boot factories in the Colony

is ... 1,385,000

The present "output" is ... 442,000

Sets per annum.

The present "capacity" of harness factories in the Colony

is ... 39,800

The present "out-put" is ... 6,144

Such a state of affairs as the above figures show must be dealt with at once, if these industries are to be saved to the country.

In my opinion the reason of the decline in these industries is, primarily, that they have never been adequately protected against outside competition. When competition of the foreign manufacturer set in, more severely in the last 10 years, our productions were sent to all countries of the globe and imitated in inferior qualities. These were placed on the market and seriously affected our businesses, so much so that many had to succumb, and others removed their capital from the tanning trades, and devoted their energies to other branches of business which showed more chance of profit.

Another point for your consideration is that the O.R.C. Government are offering bonuses to those starting industrial concerns in that colony. *Vide* the report of the O.R.C. Industrial Commission, 1905. Two firms of confectioners have already started on a bonus, and no less than four firms of Cape Colony tanners are in communication with the O.R.C. Government with regard to starting works in their borders. This is a matter that should be very carefully watched by our Government, as it is bound to affect our established industries unfavourably.

In conclusion, I wish to give my emphatic opinion that the leather and leather goods manufacturers of this Colony would, very shortly, be in a position to work up from the "raw products of the land" the bulk of our requirements in leather, boots and harness, if they were, by fiscal arrangements, placed in a position to compete with the imported articles. Also, that the consumer would benefit, for internal competition would keep prices down, and a more satisfactory article would be supplied than the shoddy articles of imported goods with which the Colony is now flooded.

I shall be glad to give any further information in my power.

I have, etc.

(Signed.) FRANK GIBAUD.

[C]

MEMORIAL FROM THE SOUTH AFRICAN LEATHER INDUSTRIES' ASSOCIATION.

To the Hon. Dr. C. L. Jameson, M.L.A., Premier of Cape Colony.

SIR,—

At our interview with the Hon. the Colonial Treasurer, he said, in reply to our suggestion of a bonus to the leather trades, that, if we laid a practical scheme before the Government, we could be assured of it being accorded sympathetic consideration.

We have the honour of placing before you a resolution adopted by our Association, which reads as follows:—

"In view of the present languishing condition of the leather trades in this Colony, and taking into consideration their importance to the Colony at large, that this Association press upon the Cape Government the necessity of granting a bonus to assist manufacturers in keeping their businesses going until some relief against the cheap imports can be given through the Customs tariff. That the form of bonus suggested by the Association is:—

- 4d per lb on sole leathers, tanned and sold.
- 5d. per lb. on harness leathers, tanned and sold.
- 6d. per lb. on kips leathers, tanned and sold.
- 3d. per lb. on splits leathers, tanned and sold.
- 1s. 6d. each on calf-skins, tanned and sold.
- 1s. each on goat-skins, tanned and sold.
- 6d. each on sheep-skins, tanned and sold.

Bonus to remain in force for two years. In the case of firms who manufacture their own tanned leathers into boots or harness, the transfer of leather from the tannery to the boot or harness factory to be considered a sale."

In placing the above resolution before you, we are instructed to state that the terms of same have been very carefully considered by the members, and the decision to place it in this form was come to for the following reasons:

- (1) It is the tanning of leather that it is desirable to encourage, in that it uses up the raw materials of the country and the basis upon which the boot, veldtschoen and harness manufacturing is built up.
- (2) The bonus recommended will enable the tanners to undersell the cheap imported leathers, a large proportion of which are sent here on consignment for sale from America and Australia.
- (3) The boot and harness manufacturers will procure better leather at a lower price than they are now paying, and will be enabled to compete on better terms than at present with European and other productions.
- (4) The work of assessment of bonuses will be greatly simplified. We recognise that a bonus to be granted on boots, shoes and harness manufactured could only be granted on such goods being made from colonial tanned leathers, or our chief aim (encouraging the tanning of leather) would be defeated, endless disputes would arise, and many opportunities would be given for fraud.

We were pleased to see that you specially mentioned in your Grahamstown speech that it was desirable to foster a large leather industry in this country; we are, therefore, assured of your sympathy. That it is necessary to give us some practical support, the following facts will suffice:—

- (1) Within the last twenty years twenty-three tanyards and leather goods factories have been closed down. One old business in Wynberg has succumbed. There are rumours of the oldest established business in the Western Province closing down shortly. Mr. Woodhead (one of the oldest tanners and boot manufacturers) said before the Legislative Commission, "that he was discouraging the tanning of leather." One large corporation has written off £15,000 losses during the past three years.
- (2) Most of the firms who originated as tanners are now devoting most of their capital and energy to the merchandising of foreign leathers, and their tanyards are working to about a third of their capacity.
- (3) Below we give you a comparison of the labour employed and the wages paid by the tanners, boot and harness manufacturers for 1899 and 1904. These figures are taken from statistics furnished by the manufacturers of the Colony, and can be taken as authentic:—

In 1898, 524 white men were employed; in 1904, 317.

In 1898, 820 coloured men were employed; in 1904, 480.

In 1898, £126,240 was paid in wages; in 1904, £64,786.

- (4) Already the bark producing districts, both in the Eastern and Western Provinces, are complaining that there is no demand for bark.
- (5) The granting of a bonus would have an immediate effect; properties, plant and machinery now almost idle would be immediately utilised, and employment would be found for the men now on the verge of starvation, and farmers would have a big demand for bark at enhanced prices.
- (6) It is very probable that the bonuses now offered by the O.R.C. Government will attract some of our manufacturers to open branches in that colony, or transfer their works.

In conclusion, Sir, we trust you will give the foregoing your earnest consideration. We submit that the size and importance of the industries and their possibilities in this country warrant your Government taking exceptional measures to prevent them dying out; as they now surely are doing.

Our Association is anxious that you will receive a deputation on the matter at an early date, as we think your Government should have all possible information in their possession before Parliament meets.

We have, etc.

For the Committee of the South African
Leather Industries' Association.

[D]

EVIDENCE GIVEN BY MR. FRANK GIBAUD (OF MESSRS. BAGSHAW, GIBAUD AND CO.), BEFORE A COMMISSION CONSISTING OF W. F. HURNDALL, Esq., M.L.C., AND JOHN PYOTT, Esq., M.L.C., AT PORT ELIZABETH, ON 28TH APRIL, 1905.

Q. Your name in full?

A. Frank Gibaud.

Q. You are a partner in Messrs. Bagshaw, Gibaud and Co., Tanners and Boot Manufacturers, carrying on business in Port Elizabeth?

A. Yes.

Q. Can you tell us how many hands you employ?

A. About 90 hands.

Q. You have employed a larger number of hands?

A. Yes.

Q. How many?

A. Up to 140.

- Q. At the present moment you are 50 hands down?
- A. Yes.
- Q. You have handed in practically the list of the difficulties under which you are suffering?
- A. Yes.
- Q. Have you anything further to suggest to this Committee to what you have already stated here?
- A. I think that is fairly comprehensive as to the difficulties we labour under. Any question of detail I shall be glad to answer.
- Q. You are experiencing these difficulties in the tanning and veldtschoen making?
- A. Yes; undoubtedly.
- Q. You can get all the raw products in this country?
- A. Yes.
- Q. Can you get sufficient bark?
- A. Quite. In fact, the supply is very much in excess of the demand. We have had to stop farmers bringing in their bark.
- Q. We have evidence that it was impossible to get sufficient bark in this country?
- A. It was a difficulty three years ago, when the war was on, because there was no communication, but that was the only time we have had any difficulty.
- Q. What price are you paying for bark?
- A. We pay 2s. 6d. per 100 lb.—£2 10s. per ton is about the average.
- Q. I believe it has been suggested to a previous Committee that a considerable quantity of bark extract was being used in this country, and that they were compelled to use it. Is that so to-day?
- A. Not to-day. Our experience is that this extract is not necessary for the bulk of the leathers we turn out. For the finer qualities we import a few tanning agents, but not to any extent. The question of the extracts may have cropped up during the time that bark was so difficult to get.
- Q. You would not approach the Government for a rebate on these extracts?
- A. No.
- Q. You have laid before us a table of, practically, the duties upon boots, harness and leather for South Africa as compared with Australia, New Zealand, Canada and the United States, but you have not given this Committee any suggestions as to what you would propose would be a protection to your industry in this country?
- A. First, on leather I would suggest 25 per cent. with a few exceptions—Morocco leathers, Japanned leathers, valve hides, pig skins and coach hides. There is not sufficient demand to warrant any manufacturer laying down special plant to produce those leathers.

- Q. Do you think pig skin could be produced in this country?
- A. It could be done here, but the quantity required is so small, and then, again, there is a very short supply of raw skins.
- Q. You maintain that the skin is not suitable?
- A. It could be done, but the demand is very small.
- Q. Will you give us your suggestions *re* duty on harness?
- A. 25 per cent.
- Q. Don't you think there should be a differentiation on leather manufactured locally, and on leather manufactured into harness? For instance, take a harness-maker who wants a superior set of harness, and who says your leather is not good enough for him, he brings a grievance against the Government?
- A. Speaking as a tanner I should say that sufficiently good leather can be made here (if we have the protection) for all the requirements of the harness trade of this country.
- Q. You could make equally well-finished leather as they can do in any country for harness purposes?
- A. Yes, if we have the market. If we have the bulk of the trade to work for, but if we have so much imported leather in competition we cannot lay ourselves out to make this better class stuff.
- Q. You maintain that if you had this market to yourselves you could produce equally as good leather as any country?
- A. Yes.
- Q. What do you consider a fair protection upon boots and shoes?
- A. We have already sent down these suggestions to the Premier, and we have suggested an import duty upon boots and shoes, plus the *ad valorem* rate.
- Q. Will you give us those rated duties which you propose?
- A. 12s. per dozen on Men's boots and shoes; 9s. on women's; 8s. on youths'; 6s. on boys' and girls'; 4s. on children's; and 2s. on infants, plus the *ad valorem* duty of 10 per cent. These duties to apply to English goods, foreign manufacturers to be penalised over and above these rates.
- Q. I think you have also put before this Committee the difference in the trade done at the present in the Colony in which it shows that your industry is failing year by year?
- A. Yes.
- Q. You have also given us a computation of the various factories throughout the country, showing what they can do and what they are doing?
- A. Yes.
- Q. You think that with this protection these factories would practically work up to what you have put before us?
- A. Yes, in a very short time.
- Q. And would give workmen employment in this country?
- A. Yes, as well as using the raw material.

- Q. You also maintain that some sort of a bonus should be granted to your trade?
- A. We think that this is a very necessary thing.
- Q. You think the Government should take this in hand?
- A. Most decidedly.
- Q. Can you give us a list of those suggested bounties?
- A. The suggestions we made were 4d. per lb. on sole leather, tanned and sold. Of course, you must understand that in those suggestions we have embodied those to assist the boot manufacturers and harness makers as well. Although we have not suggested a special bonus to those manufacturers, it is simply to enable the tanners to compete with the cheap imported leathers.
- Q. You think that the competition between the tanners would keep the prices down?
- A. Yes, independent of any bounty.
- Q. You think that the consumer would get the benefit?
- A. Yes.
- Q. The bonus you propose is?
- A. 4d. per lb. on sole leathers; 5d. on harness leathers; 6d. on kips; 3d. on splits; 1s. 6d. each on calf-skins; 1s. each on goat-skins; and 6d. on sheep-skins.
- Q. You also go on to say that the bonus should remain in force for two years. Do you think it would be sufficient until the tariff is altered in your favour?
- A. Yes. If within twelve months the Customs tariff were altered so that we could go on, the bonus would be dropped. I think we say in the first part "to enable the manufacturers to keep their businesses going until some relief is given through the Customs tariff."
- Q. Have you anything to lay before the Committee in regard to what is being done in the Orange River Colony *re* bonuses?
- A. I have only got the particulars in the Orange River Colony Industrial Report, in which they are offering bonuses of 5s per hide, and 1s. per skin.
- Q. Do you consider this is going to encourage tanners to open up industries in the Orange River Colony?
- A. I do not think it will in the present state of financial matters, but, eventually, it will do so.
- Q. In the case of tanneries being opened up in the Orange River Colony, would this bonus not tend to have a lot of goods sent into Cape Colony?
- A. Undoubtedly so.
- Q. The Government of Cape Colony would have to protect itself against this?
- A. Yes. Four firms are already in communication with the Orange River Colony Government in this matter.
- Q. A former witness gave the Committee to understand that sufficient hides could not be got in the Colony?

- A. You can get plenty of hides in the country—in South Africa. You can get considerably more hides offered here than you can consume, and big quantities are being shipped to England. A dealer lately told me that within five or six weeks he had shipped 15,000 hides.
- Q. Then there is no difficulty in getting hides?
- A. No difficulty in getting hides.
- Q. The witness said he could get hides cheaper in the London market than in Port Elizabeth; have you experienced this?
- A. Well, I won't say that my experience is this. We usually pay London prices in Port Elizabeth for the selection we want. I should not say we pay above London prices. London prices could be got in Port Elizabeth without shipping into London and paying all expenses.
- Q. Another suggestion was that the hides were not properly skinned; there was not sufficient care taken in the skinning of the animal?
- A. You get a good lot and a bad lot: we are not worse off than any others. We think this could be arranged between the manufacturer and the slaughterman. We have had shipments from South America and from Australia during the war, and our hides compare very favourably with them.
- Q. There is also the suggestion that coast hides were impregnated with ticks?
- A. It is so in some districts. You cannot help that.
- Q. That is really against the coast hide?
- A. To an extent, yes. It is suitable for some leathers. It does not put them out of the market altogether.
- Q. Another witness brings forward the question that Colonial leather is rejected through the nasty smell?
- A. It is simply a matter of modern methods in the way you handle your tanyard.
- Q. Your leather smells no more than any other?
- A. No.
- Q. Have you anything else which you would like to lay before this Committee which you have not touched upon?
- A. I do not think there is any matter of detail. The only thing I would impress upon the Committee is this: that the leather trade, including tanning and harness-making, is in a very serious condition at present. They are gradually declining, and have been for the last seven or eight years. We are now employing about two-thirds of the number we did seven years ago, and the decline is still going on. Unless something is done very soon the industry will go out.
- Q. The industry is a purely Colonial one?
- A. It is a purely Colonial industry. We only want to import rivets and thread, etc.
- Q. These are so small that you would not suggest a rebate?
- A. It is hardly worth considering in the boot trade, but in the harness-making industry it is a bigger item.

- Q. Some of them have pointed out that Colonial leather is not so durable as English leather?
- A. Are you speaking of harness leather?
- Q. Yes, is your Colonial manufactured leather as durable?
- A. For this climate, undoubtedly it is.
- Q. What kind of bark are you using?
- A. Round here we are using Mimosa and Barboun, and small quantities of Schumac from the south-western district.
- Q. Do you get sufficient of that to carry on?
- A. Quite sufficient; a great deal more than we want.
- Q. Do you suggest the Government give a bonus on sole leather? What is the average weight of a side of sole leather?
- A. A side would average 20 lbs.
- Q. How many pairs of soles would that mean?
- A. Mens' average, about 35 to 40 pairs.
- Q. You consider that if you get this 25 per cent. you can compete with the imported article?
- A. Yes.
- Q. Could you undersell it?
- A. We could undersell them in some cases, but it is a difficult thing. Their stuff is not so good as ours.
- Q. You would manufacture a better article?
- A. A better article for the same price. Internal competition would keep the price down.
- Q. In regard to veldtschoen-making, you have pointed out to us that your veldtschoen have been sent to foreign countries, and practically made the same and returned to this country and sold at a less price than you can compete with?
- A. Some of them undersell our price, but on account of the very common stuff they put in they are able to do so.
- Q. To look at the imported veldtschoen and the Colonial veldtschoen—the imported looks better?
- A. It looks better. The Colonial has the durability. These imports can come in and sell at about our price, and the merchant imports 500 pairs, and while they have got them they do not want ours.
- Q. You think a fair protection would be of benefit at large?
- A. It cannot help but do so.
- Q. And give employment to people?
- A. Yes.
- Q. What do you mean by cheap imported labour?
- A. There is a tremendous lot of low-class leathers from America comes in, particularly sole leather from America, which (I will give an instance) is sold in America to shippers at a less price than they would sell to manufacturers to sell in their own country.
- Q. In what way is it inferior?
- A. It is inferior in this way: it is swollen up with acids, and weighted with weighting materials to make up weights. It is very brittle, harsh stuff.
- Q. Can you suggest anything else?
- A. I do not think so.

- Q. Can you tell us how many hides are exported from this country?
- A. I cannot give you the figures, but it could easily be obtained from the Customs authorities. A lot of the Transvaal hides are shipped through Delagoa Bay and Durban; that could be found out. I may tell you that we buy regularly from one dealer here who has his house in Johannesburg. He tells us when he has got 500 hides in Johannesburg; if we do not want them he will ship them through Durban or Delagoa Bay.
- Q. You say there is any amount of bark in this district?
- A. Yes, so much so that to-day we have twelve months bark in hand. We have twice had to stop farmers sending in—once last July and again last December.
- Q. Have you had offers of bark from other districts?
- A. We have offers of bark from Clanwilliam and Piquetberg. We have never had bark from there, except during the war, but the suppliers say that Cape Town tanners are not using their usual quantities, and they want an outlet.
- Q. What kind of bark?
- A. Kliphoud and Wa-boom.
- Q. Wattle bark?
- A. We have only had offered through the Government forester's department. We could get it from Natal.
- Q. What would that cost?
- A. About £6 per ton.
- Q. Could Wattle bark be grown in this district?
- A. It can be grown. There is some growing at Kraggakamma.
- Q. In sufficient quantity?
- A. In time it could be, but not at the present.
- Q. How many years does it take to grow to perfection?
- A. About five or six years. There is Wattle grown in the Western Province, Port Jackson and Natal. That is used in Cape Town also.
- Q. Wattle gives you the biggest percentage of tanning material?
- A. Yes, a bigger percentage than Mimosa.

(Signed) FRANK GIBAUD.

Before me—

H. KRONSEY, J.P.

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